Austria .... Sch. 18	Indonesia .. Rp 2500	Portugal .... Esc 80
Bahrain .. Din.0.550	Italy .... L 1200	S. Arabia .. Rls 6.00
Belgium BFr.38	Japan Y550	Singapore . S$ 4.10
Canada .... C$2.00	Jordan .... Fils 500	Spain ..... Pta 100
Cyprus .... C£0.60	Kuwait .... Fils 500	Sri Lanka ... Rup 30
Denmark .. Dkr 7.25	Lebanon .. £L 6.00	Sweden .. Skr 6.50
Egypt ..... E£1.00	Luxembourg . LFr.38	Switzerland SFr 2.00
Finland .. Fmk 5.50	Malaysia .. Rm 4.25	Taiwan .... NT $85
France .. FFr. 6.00	Mexico .. Pes. 300	Tunisia .. Din 0.600
Germany . DM 2.20	Morocco .. Dh 6.00	Turkey .... L 180
Greece ...... Dr 60	Netherlands . Fl 2.50	U.A.E. .... Dh 6.50
Hong Kong . HK$ 12	Norway .. Nkr. 6.00	U.S.A. $1.50
India .... Rup. 15	Philippines . Pes. 20	

ØØ

FINANCIAL TIMES

EUROPE'S BUSINESS NEWSPAPER

No. 29,427 | Thursday September 20 1984 | D 8523 B

Why the dollar baffles the experts, Page 22

NEWS SUMMARY

GENERAL

New move by Spain on entry to EEC

Spanish Prime Minister Felipe González is to fly to Dublin today on a mission to speed up negotiations on Spain's entry to the EEC, of which Ireland currently holds the chairmanship.

EEC ministers have missed the September deadline to reach agreement with Spain and Portugal on the terms of their accession, supposed to take place on January 1 1986.

If the accession date is still to be maintained, ministers must finish the negotiations by the end of this year to give all the individual national parliaments time to ratify the deal.

Argentine test

President Raúl Alfonsín of Argentina will today face a severe political test when he is asked to endorse the publication of the most detailed report ever made on human rights violations in his country. **Page 4**

Salmonella confirmed

Nineteen of 27 deaths last month at a hospital in Wakefield, England, were linked to food poisoning through salmonella, a coroner's inquest was told.

Portugal strike ends

A five-day strike by Portugal's 5,000 stevedores that paralysed mainland ports ended after talks between management and unions.

Reagan 'landslide'

President Reagan will win re-election by a landslide, barring a foreign crisis or a big change in the political climate, Gallup polls showed. **Page 4**

Hyderabad clash

Two people died and eight were injured in fresh clashes in the city of Hyderabad in southern India.

Turkish leader freed

Abdullah Baştürk, the former leader of Turkey's left-wing Confederation of Revolutionary Trade Unions, was released from detention in Istanbul after spending more than four years in jail.

Labour reform urged

Italy must reform its highly restrictive labour regulations if it is to have any hope of meeting the rising demand for jobs, according to Gianni de Michelis, the country's Socialist Labour Minister. **Page 2**

F-16 crashes

A Belgian air force *F-16* fighter crashed in a shooting range at Helchteren in eastern Belgium, killing its two occupants.

Navy backs missiles

The U.S. Navy disputed reports that thousands of Sparrow and Sidewinder air-to-air missiles were useless because of flaws. **Missiles "useless." Page 4; Texas Instruments chips '90 per cent clear', Page 24**

Hitler trial confusion

The Hitler diaries trial was thrown into confusion when a magistrate fell asleep. The event might lead to a retrial.

Footballers back

Spain's top professional footballers ended a 15-day strike.

Atlantic feat

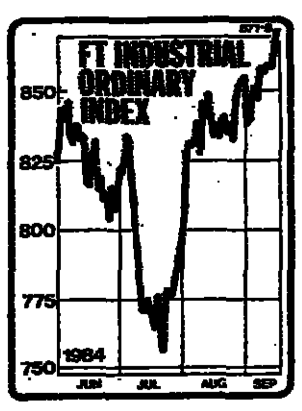
Brazilian adventurer Amir Klink arrived home after rowing 6,720 kilometres single-handed across the South Atlantic in 101 days.

BUSINESS

$ mixed in quieter trading in Europe

DOLLAR *paused for breath on European exchanges after hectic gains earlier in the week.* Dealers reported strong underlying demand but said investors were holding back *ahead of today's "flash" estimate of* U.S. GNP growth in the third quarter. Dollar rose in London to DM 3.0945 (DM 3.0915) and to a record FFr 9.495 (FFr 9.4925) but was weaker at SwFr 2.534 (SwFr 2.541) and Y245.8 (Y246.15). On Bank of England figures, its trade-weighted index eased to 142.4 from 142.7. In New York, the dollar closed at DM 3.0985, FFr 9.5125, SwFr 2.536 and Y245.70. **Page 47; Feature, Page 22**

STERLING rose 40 points in London to $1.237. It also improved to DM 3.83 (DM 3.8125), SwFr 3.135 (SwFr 3.1325), FFr 11.76 (FFr 11.725) *and* Y303.75 (Y303.5). *Its* trade-weighted index closed at 76.9 from 76.4 previously. In New York it closed at $1.237. **Page 47**



WALL STREET: The Dow Jones industrial average closed 13.25 down at 1,213.01. **Section III**

LONDON equities and gilts made strong gains and the FT Industrial Ordinary index rose 13.8 to 871.8. **Section III**

TOKYO encountered some profit-taking with the Nikkei-Dow market average 6.85 down to 10,552.30. **Section III**

GOLD rose $2.25 on the London bullion market to $340.25. It also improved in Frankfurt to $340.50 and in Zurich to $340.25. In New York, the Comex September settlement was unchanged at $340.90. **Page 46**

UK UNIT wage costs rose in July to an annual rate of 8 per cent, provoking government warnings of lack of competitiveness. **Page 6**

BET, British construction, transport and laundries group, is to acquire Anglian Windows, the UK's second largest installer of replacement windows, in a deal that values the privately held group at £33.5m ($41m). **Men and Matters, Page 22**

CONTINENTAL ILLINOIS: U.S. Comptroller of the Currency C. Todd Conover defended his agency's role in supervising the Chicago bank and the rescue that proved necessary to avert its collapse. **Page 25**

TEXACO chairman John McKinley said he expected worldwide Texaco and Getty Oil workforce *to fall* by about 21 per cent by the end of this year, as the two companies consolidated assets.

ITALY'S fourth largest bank, Credito Italiano, pushed up its net *profits* by 19 per cent to L30.8bn ($16.18m). **Page 25**

NIPPON KAYAKU, Japanese pharmaceutical group, is *stopping production of the cancer drug interferon* because of its "limited commercial use" and various side effects. **Page 27**

Production difficulties in London may have resulted in typographical errors in unit trusts, some advertisements and elsewhere in today's edition.

Steelmakers hail Reagan plan but fear market strain

BY OUR FOREIGN AND INDUSTRIAL STAFF

STEELMAKERS fear that world *markets for their products* will remain highly unstable because of President Ronald Reagan's decision to seek new voluntary restraint agreements with some principal steel exporting countries.

Mr Reagan's rejection of recommendations for further across-the-board *quotas and tariffs on steel imports* into the U.S. has received a widespread welcome, however.

A European Commission spokesman said he was "delighted" with that part of the decision, which meant that a fresh confrontation over steel exports from the EEC to the U.S. had been averted.

Had Mr Reagan agreed to new quotas, he would effectively have abrogated an *EEC-U.S.* agreement of 1982 that controls the greater part of EEC steel shipments to that country. Some form of retaliation would have been inevitable.

Japan's Ministry of International Trade and Industry said it was pleased that the U.S. President had avoided recourse to "the worst option." It felt, however, that the attempt to restrict foreign penetration of the U.S. steel market to 20 per cent overall by negotiating new volume restraint agreements was "partly protectionist."

The Governments of South Korea and Brazil also responded warmly to the decision. They are the two countries with which the U.S. is most anxious to negotiate voluntary export restraint agreements in the next three months.

The U.S. has recently imposed swingeing countervailing and anti-*subsidy duties on Brazilian steel*, slowing shipments, which last year reached 1.24m tonnes to a trickle.

Sr Tarcisio Marciano da Rocha, a senior Finance Ministry official, said Brazil would now seek to negotiate quotas within the voluntary overall ceiling of 430,000 tonnes a year announced in April. In return, Brazil expected U.S. steel producers to drop their charges of dumping and subsidy.

Brazilian leaders noted that Mr Reagan's decision on the steel issue came within 24 hours of the ending of a trade ministers' conference in Rio de Janeiro, at which the U.S. had joined other industrialised and developing countries in calling for greater trade liberalisation.

In Seoul, an official of the Korea Iron and Steel Association said Mr Reagan had made "a brave decision against trade protectionism despite pressures from the industry in the election year."

A South Korean Trade Ministry official hoped negotiations for voluntary limits on the country's steel exports to the U.S. would soon begin. South Korea exported $664m worth of steel products to the U.S., up 58 per cent from the 1982 level.

Despite the satisfaction of the Brazilian and South Korean authorities, steelmakers in Western Europe worry that those and other new steel exporting countries might disrupt markets elsewhere. That would happen if, rather than cut back their production, they now attempted to increase their sales in Europe and elsewhere to make up for reduced prospects in the U.S..

The Canadian steel industry appears to come off best from the U.S. decision. "It means we can trade tomorrow like we did yesterday, with no restrictions," an official of Algoma Steel, the country's third largest *producer, said.*

Within the U.S. itself, big steelmakers applauded the decision, even though they had supported the ITC's recommendation of across-*the-board quota and tariff* increases.

Editorial comment, Page 22; The politics of protection, Page 24

UAW tightens strike at GM factories

BY TERRY DODSWORTH IN NEW YORK

THE United Auto Workers union tightened its selective strike on General Motors yesterday as it called out members at four more plants to bring the total of workers in dispute to more than 90,000.

The effects of the stoppages at the 13 plants ordered out at the weekend began to ripple through to other parts of the group, which accounts for almost half of all U.S. motor vehicle output. By yesterday morning, more than 7,000 employees supplying the 13 facilities had been laid off by the company, and more layoffs were imminent.

Almost a third of GM's 350,000-strong workforce is now idle.

GM is the UAW's first target in its 1984 negotiations with the industry. Ford, the second biggest U.S. car maker, has already said it will not necessarily be bound by any *deal reached at GM. Chrysler*, the industry's number three, settled with the union last year.

GM has lost production of about 25,000 cars and 4,500 commercial vehicles. Motor industry experts estimate that the shortfall on expected sales revenue may amount to around $150m a week if the dispute continues.

The UAW took the decision to intensify its action after talks were broken off early yesterday morning. The union had made what it called comprehensive new proposals to GM in an attempt to break the deadlock over the two main issues of job security and wages.

GM kept the negotiations alive by returning to the bargaining table at 9.30am – only eight hours after the talks had been adjourned – with new counter-proposals of its own. The company refused to give details *of its offer, but the union accepted* the proposals as a basis for further talks and continued the negotiations.

The talks appear to have entered a highly critical stage as the UAW steadily moves towards a position of an all-out national strike. GM still appears to be reasonably optimistic about the chances of a settlement.

The main threat of an all-out strike comes from the pressure that is building up from some elements of the workforce to move to a more aggressive stance if the company does not compromise. It is also felt that the longer the strike goes on the more difficult the union leadership may find it to persuade those workers who are already in dispute to return to work without a radically improved deal.

Union officials have hinted that the main problem over job security *which remains at issue is the* amount of outsourcing – buying in parts and cars from outside suppliers – GM will be allowed to do

Bérégovoy prepares to test his wiles on a world stage

By David Housego and Paul Betts in Paris

THE INTERNATIONAL financial community will make its official acquaintance with M Pierre Bérégovoy this week when the new French Economy and Finance Minister goes to Washington to *attend* his first International Monetary Fund meeting.

They will not be meeting a technocrat in the classic mould of the French *"grandes écoles"*, but a wily and experienced political hand. "You know very well I believe more in psychological than in technical methods," he says quite candidly.

His appointment represents a clear political calculation by President François Mitterrand. The largely self-taught M Bérégovoy, son of a Ukrainian worker, was brought in to manage the economy and recover the Socialists' economic record and image in time for the run-up to legislative elections in early 1986.

Accordingly, his first budget, presented last week, unashamedly bears the mark of electoral calculations. The budget, he acknowledges, had to take into account the general election timetable.

Thus the squeeze on expenditure *will take effect immediately*, while the rise in petrol taxes has been spread out on a monthly basis between now and next spring. "We have some difficult months to get through," Mr Bérégovoy concedes.

After that, however, he expects – if the strength of the dollar does not throw his strategy out of the window – to see inflation fall more sharply. In the autumn, just six months before the elections, he expects French taxpayers to start to feel the benefit of the budget's tax cuts.

Of the generally flat and cold re*sponse from the media of the left to* his austerity budget he notes that the right-wing press has apparently realised that results will begin to be evident from next May onwards. "The tax cuts respond to President Mitterrand's pledges in the 1981 elections to see the overall tax burden decline at last in France," he explains, adding that the tax cuts are also intrinsically linked with public spending cuts in that they have forced greater discipline on the state budget.

M Bérégovoy plans to apply his psychological approach to international economic matters as well. "When I go to Washington," he says, "I will talk in political terms."

He has no illusions about rapid

Continued on Page 24

Communist hard-liners prevail, Page 2

Argentina to meet IMF amid caution over loan

BY JIMMY BURNS IN BUENOS AIRES AND PETER MONTAGNON IN LONDON

ARGENTINA was yesterday due to begin a series of top-level meetings in the U.S. to press for approval for its application for a $1.6bn loan from the *International Monetary* Fund.

Sr Bernardo Grinspun, the Argentine Economy Minister, was expected to meet Mr Jacques de Larosiere, IMF managing director, in Washington last night to seek his endorsement of a memorandum of understanding on the loan proposal agreed with IMF negotiators in Buenos Aires.

Tomorrow he is scheduled to meet Mr Donald Regan, U.S. Treasury Secretary, and Mr Regan confirmed at a press conference yesterday that President Ronald Reagan *would meet President Raúl* Alfonsín at the UN in New York at the weekend.

However, despite optimism in Buenos Aires that an agreement can be concluded fairly quickly, bankers remain deeply cautious about Mr de Larosiere's response to the memorandum of understanding, which should provide the basis for a formal letter of intent.

Argentina remains under pressure to complete its agreement with the IMF before a rescheduling of its $44bn foreign debt can be undertaken by commercial bank creditors. "We do *think an IMF programme is* a necessity for them," Mr Regan said yesterday.

Commercial bankers say that, after many false starts, they will wait "*till the ink is dry on the IMF* paper" before considering Argentina's rescheduling request. They add, however, that Argentina does seem to be inching towards an agreement, even if it might still take a few more weeks to complete.

The memorandum of understanding sets out technical aspects of Argentina's programme, but some basic policy issues still need to be agreed with Mr de Larosiere before the proposal can go to the IMF executive board.

Argentina is seeking a $1.4bn 15- month standby credit together with *a $200m loan from the IMF's com*pensatory financing facility to offset lower export receipts than expected.

Sr Grinspun said the memorandum maintained the fundamental outlines of the draft letter of intent sent by Argentina to the IMF in June. That forecast a 5 per cent economic growth rate this year after 2.5 per cent in 1983 and a trade surplus of $3.8bn, leading to a balance of payments deficit on current account of $2.6bn.

Sr Grinspun declined to detail the memorandum, particularly its key *target for the budget deficit*, before his meeting with Mr de Larosiere, but he said he did not foresee any serious obstacles to the memorandum's final approval.

Debtors 'near limit of endurance', Page 4

Threat to electricity and steel in Britain

BY JOHN LLOYD, INDUSTRIAL EDITOR, IN LONDON

ELECTRICITY supply and steel *production in Britain are now un*der threat from union action in support of the National Union of Mineworkers (NUM). However, the prospect of that action risks damaging the fragile unity within the Trades Union Congress (TUC) on delivering solidarity with the NUM.

Proposals produced by the General Municipal and Boilermakers' Union (GMBU), the largest in the power stations, might, if implemented by its members, result in power cuts by mid-November.

At the same time, Mr Arthur Scargill, the NUM president, has *said he does not recognise the* agreement reached last week between the Transport and General Workers' Union and the Iron and Steel Trades Confederation on the supply of sufficient coke to British Steel Corporation's Ravenscraig plant in Scotland to guarantee 85 per cent capacity. He said the TUC *statement of support meant that* the NUM pickets at Ravenscraig and the other four main steel complexes should be obeyed.

The GMBU proposals, based on *the guidelines adopted by the pow*er unions during the 1974 miners' strike, will be put to the meeting – probably early next week – between the nine power unions and the NUM leadership.

While two important power unions – the engineers and the electricians – oppose action, the other seven can force the proposals through. They believe the two dissenting unions need do no more than refuse to do other workers' jobs – a longstanding union practice in disputes – for the plans to work.

Continued on Page 24

British GDP flat; Thatcher digs in, Page 2

U.S. will not back Africa fund

BY STEWART FLEMING IN WASHINGTON

THE U.S. is not prepared to support the establishment *of a new special* fund within the World Bank, which would be designed to target its loans on the near-destitute nations of sub-Saharan African.

*Discussing U.S. positions on is*sues expected to come up at this weekend's annual meeting of the International Monetary Fund and the World Bank, Mr Donald Regan, the U.S. Treasury Secretary, said yesterday that the U.S. could not participate in the special fund for sub-Saharan Africa that is being proposed in a report the World Bank has commissioned on the re*gion. The report will be one of the* main items on the agenda when officials from developed and developing countries meet over the next few days before the IMF World Bank annual meeting.

Mr Regan said that the U.S. believed that the International Development Association (IDA), the affiliate of the World Bank that makes long-term interest- free loans to the world's poorest nations, should concentrate its resources on sub-Saharan Africa. The U.S. has been critical of the volume of IDA funds going to India.

Mr Regan also pointed out that the U.S. was proposing in Congress a large bilateral aid programme for sub-Saharan Africa which is larger than the combined programmes of all other industrial countries.

On other topics, *Mr Regan said* the U.S. would not support proposals to issue a new tranche of special drawing rights (SDRs), the international reserve assets that the IMF may create. He made clear, too, that the U.S. would, as expected, press for a reduction in the access that countries have to the IMF's resources from the increased levels that have helped heavily indebted countries to cope with the pressures of the debt crisis.

Commenting on the questions likely to be raised in meetings with officials of the other leading industrial countries on U.S. economic policy, Mr Regan said the U.S. would argue that the American budget deficit was not significantly higher than deficits in other European countries, such as the UK, as a per*centage of its gross national prod*uct.

He said that, if state and local government budget surpluses in the U.S. were taken into account in the same way that they are in other industrial countries, the U.S. budget deficit was around $110bn or some 3 per cent of GNP. That is significantly lower than the $170bn of the federal Government alone.

He conceded that the U.S., too, was dismayed by high dollar interest rates but argued that they reflected the fact that the Administration was not getting from the financial markets the credit it deserved for curbing inflation. He said he expected interest rates to decline at the short end of the market just as long-term rates have fallen in recent months.

CONTENTS

European Community plays at brinkmanship as deadlines loom

BY QUENTIN PEEL IN BRUSSELS

"YOU MUST remember the way the Community behaves," M Roland Dumas, France's Minister for European Affairs, reminded frustrated journalists at the abortive conclusion of the latest EEC foreign ministers' meeting this week. "It is often only at the very last moment that matters get sorted out."

The French words he actually used translate literally as "get unknotted," which is a more graphic, and probably more accurate description of the task facing the combined ranks of the EEC's foreign, finance and farm ministers in Luxembourg in less than two weeks' time.

All the most pressing and controversial issues on the Community's agenda have been postponed to a sort of mini-summit series of Council meetings on October 1 and 2.

There, the respective ministers will attempt: to reconcile their differences on thebudget, including the crucial issue of how to control farm spending over thelong terms; to resolve the key issues holding up the negotiations to bring Spain and Portugal into the Community; and to decide how to control the overflowing wine lake, which threatens both todrain the budget, and to upset the enlargement talks.

In delaying their final agreement, the Ministers have broken one deadline and presented themselves with another two.

They have missed the end of September deadline to reach agreement with Spain and Portugal on the terms of accession, supposed to take place on January 1 1986. For months that has looked an impossible target. But if the accession date is to be maintained, they must finish the negotiations by the end of this year, to give all the individual national parliaments time to ratify the deal.

The new deadlines concern the supplementary budget for 1984, and the complete budget for 1985. The former must be approved before the end of October if the European Commission is not to run out of money.

The latter must be submitted to Parliament by October 5 to comply with the Treaty of Rome, in order to give MEPs time to approve it before the end of the year.

All the issues on theagendas in Luxembourg inter relate, but the budget inevitably is at the centre of the web—the problem of imposing budget restraint while reducing Britain's net contributions, a dispute which has pitted Britain against the virtually unanimous opposition of its partners.

That issue is very close to resolution. Thekey has been the acceptance by all the members that an entire package of measures will be necessary to satisfy Britain and extract some concessions in return.

The broad agreement on budgetary discipline reached by finance ministers in Ireland last weekend goes a big step of the way, although the details have yet to be agreed. The essence of the deal is that theministers will possess an effective veto on any EEC spending which exceeds a budget ceiling set at the beginning of a given year.

Any member state would be able to blow the whistle on a particular spending decision, if it exceeded the budget ceiling, and have it referred to the finance ministers. They in turn would accept or reject it and, if unable to agree, refer the matter to the foreign ministers as the last court of appeal, with the power to decide by qualified majority.

Britain is concerned whether such a system would prove "effective." The French are worried that it may prove too effective. Indeed, M Michel Rocard, the French Agriculture Minister, expressed grave misgivings about any system that gave finance ministers a veto over the Agriculture Council.

If French objections can be resolved, that package should gain approval from the finance ministers on October 1. The remainder of the budget deal requires the foreign ministers' blessing.

There the outstanding issue is when and how the long-term contributions of member states to the EEC are to be increased, and it relates directly to the enlargement negotiations.

Britain maintains that the "new own resources"—an increase from 1 per cent to 1.4 per cent in the VAT ceiling on EEC revenues—will have to be introduced in the course of 1985, to allow the promised British budget rebate of Ecu 1bn (£600m) for 1984 to be repaid as an abatement of British contributions, rather than as a direct rebate

West Germany, however, insists that the new own resources can only come into effect on the date of enlargement—January 1, 1986—when the Community will inevitably face increased costs. It fears that the enlargement negotiations could be delayed indefinitely by southern member states unless increased contributions are linked to them.

Therein lies the link with the enlargement talks and the sticky issues on that front such as controllin gthe overproduction of wine and olive oil. West Germany wants to maintain that budget pressure to keep the momentum up on Spain and Portugal, but unless it relaves, Britain will refuse to sanction an immeiate budget deal in titme to resolve the cash crisis. Bringin gall the strands together will be the real challenge of the Irish presidency.

● Sr Felipe Gonzalez, the Spanish Prime Minister, is due in Dublin today to try to give fresh impetus to negotiations on Spain's entry to the EEC, writes David White in Madrid.

Fishing will loom large among specific issues on his agenda, but Suain also considers it crucial to make concrete progress on such key issues as olive oil and movement of labour.

FRANCE WANTS OPPOSITION FIGURE FOR BRUSSELS

FRANCE'S Socialist administration is hoping to name a member of the opposition as the country's second Commissioner in Brussels, writes David Housego in Paris. The move ties in with attempts by Prime Minister Laurent Fabius to broaden the basis of his government by offering non-ministerial posts to politicians of the centre or the right.

M Jacques Delors, the former Finance Minister, who has been appointed president of the Commission, holds the other Commissioner's post.

The opposition has so far rejected initiatives by M Fabius's administration to give them a shared responsibility for some aspects of policy.

Among names being mentioned in the French Press as possible Commissioners are M Andre Giraud, the Industry Minister under President Giscard 'Estaing, and M Alain Chalandon, a former Gaullist minister and head of Elf-Aquitaine, the state owned oil group.

Boycott by Maltese students

By Godfrey Grima in Malta

MALTESE parents yesterday protested against Prime Minister Dom Mintoff's controversial education reforms by keeping their children away from four colleges created specially to replace Roman Catholic Church colleges which have not been licensed to reopen in October.

The Church has had eight of its leading secondary schools shut down under legislation rushed through the 65-member Maltese parliament in May. Licences were withheld by the Ministry of Education after the schools rejected a binding condition to dismantle their fees systems.

In the run-up period to the opening of the new scholastic year four large colleges were prepared by the Government for students affected by the closure of church colleges. Student enrolment, however, was significantly low from the start, and when the colleges opened only 300 out of 4,000 students hit by the Government's measures turned up.

Iberia workers settle dispute

BY DAVID WHITE IN MADRID

STRIKING maintenance workers at Iberia, the Spanish national airline, called off their action yesterday after six days of chaos in air services.

Agreement on ending the strike, reached at a meeting between Iberia's works committee and the independent maintenance technicians' union, Asetma, came after the Government ordered the airline to replace cancelled services by sub-contracting to charter companies.

The strike was declared illegal on Tuesday night.

The Government had earlier said it would not intervene in the conflict as it did in a pilots' strike in July.

The back-to-work agreement, which received full backing from the airline's management, provides for the withdrawal of 49 dismissal notices sent out by the company after the strike was prolonged at the weekend. A further 14 earlier dismissals are to be put to labour tribunals.

The Government, faced with legal difficulties in intervening in an unofficial strike, asked the state-owned airline on Tuesday night to fulfil its flight schedules by subcontracting to the other Spanish carriers, Aviaco and Spantax.

The airline yesterday chartered aircraft from Dutch and Swiss operators.

The strike, principally over training facilities, brought bitter exchanges between Asetma and the Socialist UGT union, which was accused of putting pressure on technicians to go back to work.

Call to reform Italian labour regulations

BY JAMES BUXTON IN ROME

ITALY must reform its highly restrictive labour regulations if it is to have any hope of meeting the rising demand for jobs in the next 10 years.

This is one of the major themes of a plan for employment presented in Rome yesterday by Sig Gianni de Michelis, the Socialist Minister of Labour.

Sig de Michelis, who is one of the more active members of Sig Bettino Craxi's Cabinet, said that the complex labour laws administered by his ministry discouraged companies from taking on labour, especially young people. One result, he said, was that Italy had the highest proportion of official youth unemployment in Europe.

Under Italian labour laws it is virtually impossible to sack employees. Workers can, however, be put on permanent lay-off, which is heavily subsidised by the state. There are also tight restrictions on how companies hire labour and on who they hire.

Hardliners back at the helm of French Communist Party

BY PAUL BETTS IN PARIS

THE established hierarchy of the French Communist Party (PCF) has reasserted its control over the party at a key three-day central committee meeting which ended last night.

The impressive display of strength by the traditional party hardliners completes a two-month process during which they have successfully silenced a growing wave of internal criticism against the PCF leadership and its policies.

M Georges Marchais, the party secretary general whose political career was in the balance a few months ago, also firmly re-established himself at the top of the party.

The central committee meeting has now set the tone for the build-up of the party's 25th Congress next February, when M Marchais is expected to be re-elected as secretary general. The meeting also confirmed the Communist divorce from the Socailists and the party's intention to intensify its opposition to the Socialist Government.

Even the most ardent supporters of the so-called French union of the left and the participation of Communists in a coalition government with the Socialists told the hard line during the central committee debate.

Marcel M Rigout a Communist minister in the former coalition, openly opposed last July the party's decision to pull out of the pact with the Socialists. He now believes, like M Charles Fiterman, the former Communist transport minister, that the decision to withdraw from the coalition was right, although he says the PCF has failed to communicate and get its policies across to its electoral base.

In what appears to be essentially a token gesture of appeasement to the silenced party moderates, M Machais in his long address to the central committee acknowledged the need to improve certain party structures.

France had a trade surplus of FFr 35.bn (£299m) last month following a sharp rise in exports, writes Paul Betts. This brings the cumulative trade deficit this year to FFr 19.5bn (£1.6bn). The Government hopes to contain the deficit to FFr 33bn for the year against FFr 49bn in 1983 and FFr 93bn in 1982. It is also aiming for a FFr 2bn surplus next year.

High-tech links with West Germany urged

BY JAMES BUCHAN IN BONN

AN URGENT appeal for closer co-operation between French and West German business, in order to meet the high technology challenge from Japan and the United States, has been made by M Roland Dumas, France's Minister for European Affairs.

Speaking to businessmen in Essen, he also criticised West German reluctance to support such projects as the Ariane space programme

M Dumas complained that, in the past five years, West European companies had concluded only a tenth of the co-operation agreements signed by Japanese and U.S. concerns. He warned that France and West Germany ran the risk of running into the "absurd situation" of each developing a new generation of telephone exchanges and with incompatible technology.

The notion of fair competition was more an issue of the European Community than a national market, he said. Clearly smarting still from the West German Cartel Office's opposition to the Grundig - Thomson - Brandt merger, announced in 1982, M Dumas said: "I think that German cartel law should be adjusted to this situation, where we should think in terms of EEC or world market shares."

● Dornier of West Germany and Aerospatiale and Thomson-Brandt of France are to develop a "stand-off" surface-to-air missile to go into service by 1990.

Belgium ponders referendum

By Paul Cheeseright in Brussels

THE BELGIAN Government, following the example of the French, is preparing to make constitutional proposals for the use of the referendum in farming laws. This will mean changing the constitution which gives legislative power to the King and the two houses of Parliament collectively.

Mr Jean Gol, the Deputy Prime Minister and Minister of Justice, made clear, however, that the referendum could not be used to settle communal issues. Belgium is divided in contentious rivalry between Dutch-speaking Flanders and French-speaking Wallonia.

To avoid communal clashes Mr Gol is thinking in terms of a two-thirds majority before any issue handled by referendum can be considered as approved. They are likely to be confined largely to non-communal economic and social questions.

Such topics include the shape of the educational system, a matter also under consideration in France, and the continuation of wage indexation. The electorate could also be consulted on whether a government should be granted special powers to deal with economic crisis, a spokesman said.

Belgian governments since the war have asked Parliament periodically for special powers. The present Government used such powers until last spring and in the space of two years issued some 300 decrees, work which would have taken Parliament twice as long to handle.

Mr Wilfried Martens, the Prime Minister, said in an interview yesterday that he would like the use of special powers to be defined in the constitution.

He argued that such powers did not diminish the democratic process. "Let us not forget that we govern under the control of Parliament. These are not full powers, they are special powers. Any day the Chamber or the Senate can say 'It is finished. We withdraw our confidence in the Government'."

Moscow allies promise to strengthen links

BY LESLIE COLITT IN BERLIN

EAST GERMANY and Bulgaria, whose leaders were prevented by Moscow from visiting West Germany this month, have pledged to strengthen their alliance with the Soviet Union.

Herr Erich Honecker, the East German leader, cancelled a planned visit to West Germany later this month, while Mr Jodor Zhivkov, Bulgaria's Communist Party chief and President, called off a visit to Bonn, which was to have begun yesterday.

East European diplomats said both men were "advised" by Moscow not to proceed with the visits in the midst of a Soviet-led campaign against West Germany.

Herr Honecker and Mr Grisha Filipov, Bulgaria's Prime Minister, who is visiting East Germany, said they would do everything to "continue strengthening" their alliance with the Soviet Union and the "unity and resolution" of the Warsaw Pact states.

Herr Honecker was quoted by the East German newsagency as noting it was "most important" to contimue expanding the political dialogue with those forces who "genuinely are concerned with maintaining peace." That was taken to mean a dialogue with interested Western leaders.

Both countries are among Moscow's closest allies and their leaders' plans to visit West Germany provoked a strong reaction from Soviet diplomats.

East Germany's Communist newspaper, Neues Deutschland, yesterday stepped up a demand that West Germany respect East German citizenship and noted that that was a condition for "co-operation" and "rational relations" with East Germany.

The East German newsagency also sharply attacked Herr Rainer Barzel the President of the West German parliament, for saying that West Germany should support "hopes for freedom" from the Baltic Sea to the Black Sea.

Pravda backs Andreotti

BY DAVID BUCHAN IN LONDON

BONN'S RECENT protest at comments by Italy's Foreign Minister on the division of Germany has provided the Soviet Union with fresh ammunition to attack West Germany's approach to East Germany.

Pravda, the official party newspaper, yesterday took the side of Sig Giulio Andreotti, who had remarked publicly that it was better to maintain two separate German states. The Soviet paper said Sig Andreotti showed a realistic approach to preserving peace in Europe.

By contrast, Pravda said, the sharp West German complaint to Sig Andreotti that the permanent division of Germany had never been accepted showed that West Germany sought "the liquidation," of East Germany.

In recent months the Soviet media has mounted increasing attacks on West Germany, accusing it of "revanchism" or seeking to regain territory lost after the Second World War.

Bonn regrets Pact decision

THE REFUSAL of Warsaw Pact countries for the first time for several years to send observers to the current Nato military exercises in West Germany was deeply regretted yesterday by Herr Hans-Dietrich Genscher, West German Foreign Minister.

He denied, however, that their decision was connected with the Soviet-inspired diplomatic squeeze on Bonn by the Eastern bloc.

FINANCIAL TIMES, USPS No. 190640, published daily except Sundays and holidays. U.S. subscription rates $420.00 per annum. Second class postage paid at New York NY and at additional mailing offices. POSTMASTER: send address changes to: FINANCIAL TIMES, 14 East 60th Street, New York NY 10022.

OVERSEAS NEWS

U.S. demands Israeli austerity programme in return for aid

BY DAVID LENNON IN TEL AVIV

THE U.S. has warned Israel that if it wants additional economic assistance it must first introduce an austerity programme to deal with the crisis which has left its foreign currency reserves dangerously depleted.

Mr Yitzhak Moda'i, the Finance minister, said this was the message delivered to him by the U.S. Ambassador Mr Samuel Lewis, who returned to Israel this week from Washington.

Mr Shimon Peres, the prime minister, will be carrying a request for emergency economic economic assistance of around $1bn when he meets with President Ronald Reagan in Washington on October 9.

Israel is in desperate need of this aid to tide it over a planned transition period out of economic recession. Objectives include reduction of the current account balance of payments deficit of near $5bn, to refurbish the depleted reserves and to curb 400 per cent inflation which is threatening to soar even higher.

"Only you can help yourselves," Mr Moda'i sind the ambassador had told him. "And you know what, I agree with him," the minister declared at a meeting of industrialists on Tuesday night.

ISRAEL'S government today raised electricity charges by 30 per cent and postal rates by 60 per cent, Reuter reports. The Cabinet has agreed in principle to slash government spending by $1bn, but several ministries are fighting cuts.

The ambassador is reported to have told the minister that Israel must cuts its standard of living if it wants extra on top of the regular $2.6bn annual grant package.

Mr Lewis, also cited as saying that it is unacceptable that additional aid should be used to sustain an artificially high standard of living and to build Jewish settlements on the occupied West Bank.

This same message was reiterated by the finance minister in his meeting yesterday with the trades union leaders whom he is asking to accept a cut in real wages as part of a social pact.

Gadaffi wants Paris visit

BY DAVID MARSH IN PARIS

COL MUAMMAR GADAFFI, the Libyan leader, has announced his wish to visit Paris to cement a "new era" of co-operation with France in the wake of the two countries' weekend agreement to pull troops out of Chad.

Col Gadaffi's conciliatory gesture, during an interview on French television on Tuesday night on which he praised President Francois Mitterrand for his "courage," reinforces diplomats' impression that Tripoli is trying to mend quickly broken fences with France

None the less, crucial questions still have to be answered on whether the troop pull-out — scheduled to begin next week — will leave a vacuum which could encourage new warring between rival Chadian factions.

President Hissene Habre, protected in the south of the country by more than 3,000 French troops since August 1983, has shown concern about not being involved in the peace manoeuvres. He was informed of the agreement only on Monday by M Charles Hernu, the French Defence Minister, sent quickly to N'Djamena after the sealing of the accord in Tripoli.

Marcos human rights abuse claim

GENEVA—The International Commission of Jurists (ICJ) accused Philippines President Ferdinand Marcos and his Government today of widespread human rights abuses.

The ICJ, an independent body grouping 40 jurists from throughout the world, said in a report that the Philippines army and police were guilty of "illegal killings, massacres, burning of villages, arbitrary arrests and torture."

The 124-page report, compiled after an on-the-spot investigation, said victims included civilions as well as suspected rebels. Abuses were rarely investigated. Agencies.

S. African mine unrest leaves seven dead

By Jim Jones in Johannesburg

SETTLEMENT of South Africa's first legally threatened strike by black gold miners has been bloody and costly. At least seven miners have been killed, 500 injured and mine property worth millions of Rands has been destroyed in three days of unrest which have shaken the industry. Further unrest threatens before the country's most important industry returns to normal.

On Monday, the strike was apparently averted when the National Union of Mineworkers (NUM), which represents 90,000 of the country's half million black miners, agreed to a final wage and benefits offer by the Chamber of Mines. Agreement, however, did not prevent outbreaks of unrest in most of the major gold mining areas. One mine management curtly refused an offer of help in settling disturbances made by Mr Cyril Ramaphosa, NUM general secretary, and chose instead to use armed police to quell its rioting employees.

At the Western Areas mine about 26 miles west of Johannesburg half of the mine's 14,000 black workers went on strike early Tuesday morning demanding guaranteed rights to employment on returning from visit to the black homelands. In a night of rioting and arson, they set fire to administration buildings, kitchens and sleeping quarters in the North Shaft compound. By daybreak the mine management called in riot police and in the succeeding fracas, seven miners were killed and 90 injured.

Disturbances spread to Western Areas' South Shaft yesterday and police action to prevent rioting left at least 20 men badly injured.

At the Hartebeestfontein mine, near the western Transvaal town of Klerksdorp, management took a tough line yesterday when only 1,900 of the mine's 12,000 black workforce reported for work following three days of strike action. Return to work or face instant dismissal, management told the men who were striking in support of demands that their union, the NUM, be recognised by management.

Michael Thompson-Noel reports on one of Australia's messiest political controversies

Peacock on thin ice after attacking Hawke

FOR A man whose chief virtue was always thought to be his grasp of style, Mr Andrew Peacock—leader of the Australian Liberal Party—has engineered one of the messiest political controversies witnessed in Australia since the fall of the Whitlam Government in 1975.

For months, Mr Peacock has been under intense pressure to raise his game and provide an effective challenge to Prime Minister Bob Hawke's Right-wing Labor Government, which has ruled for 18 months, and has used that period to annex virtually the entire middle ground of Australian politics.

A week ago Mr Peacock made his move, launching a ferocious attack on Mr Hawke in Canberra. Yet the attack has boomeranged and may spell the political death of Mr Peacock, plus an even longer stretch in the wilderness for the Liberal and National parties which, until the advent of Mr Hawke, ruled in coalition.

Mr Peacock's attack came during a censure debate against the Government in Parliament. As Mr Hawke was leaving the chamber, Mr Peacock described the Prime Minister as "a little crook," a "perverter of the law," and "one who associates with criminals and takes his orders from those who direct those criminals."

Mr Peacock later withdrew the "little crook" remark, However, there was an immediate outcry for, even in Australia — whose parliamentary debates are famed for crudity of language and poverty of content — it was immediately apparent that the Liberal leader had overstepped the mark.

Mr Hawke said the accusations were baseless and defamatory. "I am not a crook," he told a radio interviewer. "I am not a criminal. I'm not directed by crooks."

Later, Mr Hawke claimed that Mr Peacock's "increasing desperation to save his political hide" had panicked him into "irrational behaviour," and said that, despite opportunities to do so, Mr Peacock had failed to produce "a shred of evidence to support those reckless charges."

This was also the view of Senator Don Chipp, leader of the Australian Democrats, a small but occasionally influential party, who said that Mr Peacock had put himself in an impossible situation.

"He has now to name the criminals with whom he claims Bob Hawke associates, and he must be prepared to do so outside Parliament," said the senator.

As for the general election which Mr Hawke is expected to call in late November . . . 16 months earlier than strictly necessary . . . Sen Chipp said that if Mr Peacock failed to substantiate his claims against Mr Hawke, Mr Peacock would turn "certain electoral defeat into an absolute disaster."

In a desperate attempt to rescue some credibility for their leader, Liberal Party strategists attempted this week to direct attention away from Mr Peacock's frontal attack on Mr Hawke, and to refocus attention on opposition claims that the federal Labor Government is "soft" on organised crime.

Mr Peacock: unable to slow the Hawke bandwagon.

However, the Liberal camp was dealt a blow when the Channel 9 TV network, part of Mr Kerry Packer's media empire, cancelled a scheduled appearance by Mr Peacock on the Mike Walsh Show, one of Australia's most popular programmes, because of legal fears about the consequences if Mr Peacock's specific accusations were repeated outside parliament. Two other networks, Channels 7 and 10, also expressed reservations.

For his own part, Mr Peacock said that his outburst in Parliament had to be viewed in context. He added that when in opposition, Ministers in the present Hawke Government had had the habit of calling Ministers in the former Liberal-National Government "rotten crooks."

However, Mr Peacock maintains that the Hawke Government has exhibited a "consistent pattern of concealment" in dealing with organised crime.

"I don't feel under pressure at the present time," said Mr Peacock this week. "It is absolute nonsense to suggest that my speech in Parliament has caused me great political damage. What I said was much less than Hawke, Hayden, or Keating said about us." (Mr Bill Hayden is Labor's Foreign Minister: Mr Paul Keating is the federal treasurer).

Despite his insouciance under fire, Mr Peacock is now treading on razor-thin ice, and will have to draw deeply on his known reserves of charm, panache and sheer willpower if he is to survive.

Sometimes likened to Mr Pierre Trudeau, of Canada, or Governor Jerry Brown, of California, Mr Peacock has suffered for much of his political life from his image as an immaculately-groomed "show-pony."

He became leader of the Liberal Party, and thus leader of the opposition, in March last year, when Mr Malcolm Fraser, the former leader, resigned from Parliament after being soundly whipped in a general election that broke the mould of Australian politics and ushered in the Hawke era.

Since last March, Mr Peacock has been taunted for providing ineffectual leadership and for failing to staunch the tide of Labor popularity.

The Hawke Government's popularity rests in large measure on the Prime Minister's unique rapport with the electorate at large, on Labor's shrewd theft of the political middle ground and on a range of policy initiatives, especially in banking and finance, that have earned the Government a high approval rating.

Since becoming leader, Mr Peacock has failed to articulate a convincing Liberal Party philosophy or to slow the Hawke bandwaggon. In a recent Gallup Poll, in the Bulletin magazine, 47 per cent of Liberal and National Party voters actually thought that Mr Hawke made a better Prime Minister than Mr Peacock would.

In the unofficial election campaign already under way, the Liberal and National Parties are trying to argue that if Labor is re-elected, it will once more unfurl its colours as the party of gradiose spending and high taxation.

The opposition is also clearly readying itself for a renewed attempt at linking the Australian Labor Party hierarchy with crime and corruption in New South Wales, the Prime Minister's own political power base.

In part, its efforts may be aided by the final report of the Costigan Royal Commission, under Mr Frank Costigan, QC, which for months has been investigating the notorious Ship Painters' and Dockers' Union, plus the wider ramifications of organised crime in Australia.

HK document ready for signing

BY DAVID DODWELL IN HONG KONG

CHINESE and British negotiating teams in Peking confirmed yesterday that completed drafts of the joint declaration on the future of Hong Kong have been sent to their respective governments. An announcement is expected today finalising the date for initialling the document.

Successful completion of the declaration and its three annexes means that a final negotiating session planned for next week will now no longer be necessary. Over the past 14 months, British and Chinese negotiating teams have met in secret in Peking for 22 sets of two-day meetings.

News of the latest developments in Peking makes it certain that when Sir Edward Youde, Hong Kong's governor and a group of unofficial (non-civil servant) members of the Colony's Executive Council—equivalent to Britain's inner Cabinet—met Mrs Margaret Thatcher and Sir Geoffrey Howe, Britain's foreign secretary in Downing Street last night, they were able to put their seal of approval on the completed declaration.

British and Chinese negotiators have aimed for the past two weeks to have the document — in both its English and Chinese versions — ready by yesterday. It is now a matter of printing the document — no easy task, since in Hong Kong alone over 250,000 copies in English are being run off, with more than 1m copies in Chinese.

It was revealed yesterday that the joint working group of British and Chinese officials that has been in continuous session since early July has been disbanded. The group was brought together to tackle four detailed issues that British and Chinese negotiators could not reach agreement on.

These were the issues of land rights, the rights of British nationals in Hong Kong, the shape of government after 1997, and air landing rights in the territory.

Japan's GNP growth soars

BY JUREK MARTIN IN TOKYO

THE JAPANESE Gross National Product expanded at a real annual rate of 6.7 per cent between April and June, thus triggering a revised government estimate that for the full fiscal year, which began in April, it would rise by 5.3 per cent.

This revision by the Economic Planning Agency had been generally expected. In recent years the EPA has tended to overestimate economic growth, but on this occasion its original estimate for fiscal 1984 was for a mere 4.1 per cent advance.

Its forecasts for GNP include increases over the year of 10.3 per cent in industrial production, 8.1 per cent in private capital investment, 3.6 per cent in personal consumption, 4 per cent in housing starts, and 1.7 per cent in government spending.

It also projects a current account surplus of about $33bn in the fiscal year, compared with $23bn last year and an earlier, and long since discarded, projection of $24.2bn for the current year.

On the other hand, the rate of inflation should be even more modest than previously estimated, with wholesale prices only going up by 0.6 per cent and consumer prices by 2.6 per cent, down from the 1.0 per cent and 2.8 per cent of earlier forecasts.

Nicaragua protests to Washington

By Tim Coone in Managua

SR MIGUEL D'ESCOTO, the Nicaraguan Foreign Minister, has made a formal protest to Mr George Shultz, the U.S. Secretary of State, over the presence of three U.S. frigates off Nicaragua's Pacific coast.

The ships came to within eight to 10 miles of Nicaragua's shore on Monday, close to the military base of Montelimar and the southern port of San Juan del Sur.

The Nicaraguan Ministry of Defence said that a Sea King helicopter from one of the frigates had also made a series of manoeuvres close to the shore

The ministry said that a new offensive was expected shortly by the U.S.-backed guerrillas of the FDN in the north of the country and the ARDE in the South.

There were approximately 6,000 guerrillas inside the country, about 2,000 of which were grouping around the northern town of Esteli. The ministry said that 90 guerrillas had been killed in 31 skirmishes in the past 15 days with the loss of 40 Sandinista troops.

In Mexico, Commander Humberto Ortega, the Nicaraguan Defence Minister, reiterated that Nicaragua had the right to its own air force and said that the new Punta Huete military airport near the capital would be inaugurated later this year or early in 1985.

Warning on economic recovery

By Max Wilkinson in Toronto

MR NIGEL LAWSON, Britain's Chancellor of the exchequer, warned yesterday that further progress in the recovery of the world economy was threatened by the continued rise in U.S. interest rates this year.

In his keynote speech to the Commonwealth finance ministers in Toronto he said that all governments shared a responsibility to moderate their calls on the world's supply of savings.

Otherwise, he said, high interest rates could inhibit worldwide investment, as well as adding to the Third World's problems in servicing its debts.

Mr Lawson's warning is likely to be strongly reinforced later this week by other European powers in private conversations with the U.S. Administration, during the annual gathering for the International Monetary Fund and World Bank

They will be urging with renewed vigour the U.S. Administration to start preparing now for measures to cut the budget deficit as soon as the November presidential election is over.

Earlier, Mr Shridath (Sonny) Ramphal, the Commonwealth Secretary-General, warned that many of the world's poorer countries were nearing the limits of endurance under the combined burdens of debt and weak growth.

He said the dangers facing the world economy had worsened in the past year

Alfonsin faces major test on human rights

BY JIMMY BURNS IN BUENOS AIRES

PRESIDENT RAUL ALFONSIN will today face what could prove a major political test when he is asked to endorse the publication of the most detailed report ever made on human rights violations in Argentina.

The report has been prepared during the nine months of democratic rule by the Government-appointed commission on disappeared persons. It will be officially handed in to the president this evening by prize-winning writer Ernesto Sabato, who together with a group of lawyers, bishops, and journalists has conducted thousands of interviews with the victims of the former military regime.

The ruling Radical party has called a massive demonstration in support of the commission to coincide with the publication of the report, and similar rallies will be held throughout the country.

But some Government officials are understood to be worried by reports of unrest in sectors of the armed forces and threats of destabilising action by isolated groups linked to the former hit squads.

Military officers of all ranks have done little to hide their displeasure with the prospect that a public airing of their past activities may further undermine the prestige of the armed forces. In spite of a concerted campaign in the local media aimed a talerting public opinion to the crimes of the previous military regime, there is little sign that this has worked its way through the armed forces.

On the contrary, most of the military remains reluctant to accept any guilt for what it still regards as a necessary strategy to wipe out left-wing terrorism. This attitude has been epitomised by the refusal of military courts to issue judgments on any of those responsible for the past repression.

In recent weeks, the highest military court, the Supreme Council of the Armed Forces, has bended to pressure from the Government and arrested the three former members of the military junta that led the 1976 coup, including former President Gen Jorge Videla. In addition, former Buenos Aires police chief General Ramon Camps, the former head of the notorious torture centre, the naval mechanical school Admiral Ruben Chamorro, and the former head of the third army corps General Luciano Menendez have also been detained.

But with the time limit placed on the military court cases expiring before the end of the month, the council has shown little inclination to reach a verdict or to institute proceedings against hundreds of other officers who were involved in human rights violations.

This has provoked a tug of war between military and civilian judges with a growing number of civil courts instituting proceedings, on the basis of evidence submitted by former victims and human rights pressure groups.

Air-to-air missiles 'useless'

WASHINGTON — Thousands of Sidewinder and Sparrow air-to-air missiles are useless because of defects or maintenance problems, a U.S. General Accounting Office (GAO) investigator has told Congress.

The missiles are the mainstay of America's air combat arsenal.

About one-quarter of the Navy's Sidewinders and one-third of its Sparrows were found to be "unserviceable" for combat use in a recent examination of the Navy's records, according to the investigator, Mr Frank Conahan, director of the National Security and International Affairs Division for the GAO.

He testified before the Government Operations Subcommittee on National Security on Tuesday.

Tens of thousands of Aim-9 Sidewinders, a supersonic missile designed to home in on heat emitted by enemy planes, have been produced for American and Nato forces.

Mr Conahan said the current Sidewinder inventory filled 83 per cent of Pentagon warfighting objectives for the weapon. The Sparrow inventory, he said, fills only 32 per cent o fthese objectives, which are based on sustaining up to six months of combat.

The New York Times in a story yesterday quoted an unidentified Navy official as saying that the GAO figures represented a "snapshot" or spot-check, and not a trend of weapons availability.

AP.

Algeria agrees to slow gas exports to France

BY PAUL BETTS IN PARIS

ALGERIA HAS agreed to slow down the rate of its gas exports to France, providing some financial respite for Gaz de France, the French gas utility.

Algeria is France's largest gas supplier, exporting under three contracts 9.1bn cubic metres of gas a year, accounting for about 30 per cent of the country's total annual gas supplies.

But Algerian gas is extremely costly for Gaz de France because of the political premium paid by France for its gas supplies from Algeria. The Algerian gas is on average about 10 per cent more expensive than France's other gas supplies, notably from the Netherlands and the Soviet Union. The Algerian gas surcharge is expected to add about FFr 1.5bn (£128m) this year to Gaz de France's already heavy deficit estimated at about FFr 2.5bn.

Gaz de France has been seeking for the past months to negotiate more flexible terms for its Algerian gas. Unlike its contracts with the Soviet Union nor the Netherlands, where Gaz de France has a margin of a maximum or minimum amount of gas it must buy, it had no margin with Algeria and was required to take under the contracts the entire 9.1bn cubic metres a year.

Sonatrach, the Algerian state hydrocarbon group, has now agreed to allow Gaz de France to reduce its supplies of Algerian gas by about 10 per cent during the next two years. The agreement on the slowdown of Algerian gas supplies is expected to be confirmed today by Mme Edith Cresson, the French Minister for Industrial Redeployment and Trade.

However, Gaz de France will have to buy eventually the full amount of gas involved in the contracts before the expiry of these long-term supply contracts. The oldest of the three Algerian contracts runs out in 2002.

Moreover, the French Government is due to review with Algeria the pricing arrangements of the contracts in the second half of next year.

Gaz de France is also seeking a revision in the price of its latest gas supply contract with the Soviet Union. French and Soviet officials are due to meet again soon after making no progress on the issue last June. The pricing revision would take effect retroactively from January 1984 and Gas de France is seeking a price cut of at least 10 per cent from Moscow. When its latest Soviet gas contract reaches its full throughput in two years' time, the Soviet Union will be supplying France about 10bn cubic metres of gas a year, thus becoming France's main supplier, overtaking Algeria.

Ankara signs gas deal with Soviet Union

By Our Foreign Staff

TURKEY is to purchase up to 6bn cubic metres of gas annually from the Soviet Union, according to a trade protocol signed in Ankara on Tuesday.

The agreement, which runs for 25 years from 1987, envisages an initial supply of 1.5bn cubic tonnes a year rising to 6bn cubic tonnes by 1990. The gas will be supplied to the Istanbul and Izmit regions through a spur of the Soviet natural gas pipeline from Bulgaria. It is to be used for industrial projects including electricity generation and fertiliser production.

No details of the price have been announced but negotiations are understood to have been tough and protracted. In addition, Turkey agreed to increase the volume of its trade with the Soviet Union to an annual $600m. Turkish trade with the Soviet Union has flagged badly since 1980, reaching only $4.2m last year.

Turkey invites foreign power plant investment

BY DAVID BARCHARD IN ANKARA

FOREIGN companies are being invited to build and operate electrical power plants in Turkey, Mr Yusef Bozkurt Ozal, Under-Secretary for the state planning organisation, said yesterday. He said foreign companies interested in building either thermal or nuclear power stations would be allowed to operate them for periods of between 12 and 17 years, until they had recouped their capital.

Turkey, which faces a growing shortfall in energy production over the next two decades, is planning to boost its electricity production from 30bn Kw hours this year to 50bn Kw hours by 1989.

Mr Ozal said plants built by foreigners would have guaranteed income as a result of standing orders for their power from the Turkish Government. He said that the arrangements would benefit Turkey as "the cheaper such plants operate the better the return for the firm operating them. They would make money and the Turks would make money."

He gave no details of any discussions so far with interested foreign groups.

Mr Ozal's remarks come at a time when Canada's AECL and Kraftwerk Union of West Germany are awaiting a government award of the tender for the country's first atomic energy power station at Akkuyu on the Mediterranean.

KWU and AECL have been bidding fiercely for the contract for over a year and have been dismayed by news that the government is also considering a late offer from Westinghouse and Mitsubishi. The plant, expected to be around 900 Megawatts will take six years to build.

Mr Ozal hinted yesterday that the financial difficulties over the Akkuyu project could be resolved by converting it to foreign investment. But he said a decision would depend on the requirement of the Turkish Atomic Energy Commission. "It is our first such plant and so very important to us," he said.

Gallup predicts a landslide election victory for Reagan

BY REGINALD DALE IN WASHINGTON

MR GEORGE GALLUP, the well known opinion pollster, has predicted that President Ronald Reagan will be re-elected by a landslide in November barring a major foreign crisis or a big change in the U.S. political climate.

In a speech at the university of Massachusetts on Tuesday, Mr Gallup said that his latest polls showed Mr Reagan with a 15 percentage point lead; 55 to 40 per cent over Mr Walter Mondale, his Democratic challenger. The margin was the widest since the 1972 election when President Richard Nixon routed his Democratic opponent, Mr George McGovern, Mr Gallup said.

He attributed Mr Reagan's commanding lead to his "charisma rating" of 42 per cent against Mr Mondale's 26 per cent.

He noted that although Mr Reagan's rating was very high it was lower than those of Presidents Eisenhower and Johnson at similar stages in their candidacies.

Mr Mondale's "charisma" rating was still higher than those of Presidents Carter, Nixon and Ford during comparable periods, he said.

A New York Times/CBS News poll published yesterday gave the Reagan-Bush team a 21 per cent lead, 54 to 33 per cent over the Mondale-Ferraro ticket. It suggested that Mr Reagan's forceful personal image was attracting support even from many people who disagreed with him on fundamental issues.

Mr Mondale scored considerably higher than Mr Reagan when probable voters were asked whether the two rivals cared about people and were "physically up to the job." Mr Reagan was seen as a strong leader, by 74 per cent against only 41 per cent for Mr Mondale, and Mr Reagan received a rating of 45 per cent for being "highly intelligent" against an astonishingly low 36 per cent for Mr Mondale.

In general, the polls showed that twice as many people have a favourable impression of Mr Reagan as an unfavourable one, while Mr Mondale is viewed unfavourably by a ratio of 3-2.

Spain wins USAF contract

BY DAVID WHITE IN MADRID

THE U.S. has given a breath of oxygen to Casa, the Spanish state controlled aircraft company, by selecting it to take charge of the maintenance of U.S. Air Force F-15A fighters in Europe.

The Spanish concern is the only one to have been asked to present its bid for the work, after initial competition from British, Italian, West German, Belgian and Dutch companies. The U.S. currently has about 100 of the fighters based in Europe.

The deal, which is due to be negotiated in November, adds fuel to the debate about Spain's future in Nato. This comes to a head in the next few months in preparation for the referendum promised by the Socialist Government on whether to continue in the alliance.

U.S. officials confirmed that the work would only be given to a Nato country, a condition that applies to other defence co-operation contracts.

Casa's application for the contract was strongly pressed by the Spanish Defence Ministry. Top Spanish defence officials back continued membership of Nato both for reasons of military information and for development of the capacity and technological level of the Spanish arms industry.

U.S. officials said, however, that the choice of Casa was made strictly on technical merits and out of logistic considerations. The Spanish company was the "only really suitable contractor" in view of the fast set up time required.

Casa said the decision was a reflection of its 30-year record of this kind of work, on behalf of the U.S. Air Force. The company currently maintains the U.S. Air Forces Europe-based F-4 Phantom fighters

The U.S. official denied that the decision was in compensation for the exclusion of Casa from a contract earlier this year for transport aircraft, awarded instead to Short Brothers of the UK.

The maintenance deal comes, however, as a boost for the Spanish company, which is currently facing protests over the lay-off of 1,300 of its 9,800 employees.

U.S. shuns export credit meeting

BY CHRISTIAN TYLER, TRADE EDITOR, IN LONDON

THE U.S. appears to be stepping up its campaign against the proliferation of export subsidies and alleged rule-bending by competitor countries.

U.S. officials refused to attend a meeting in Paris at the Organisation for Economic Co-operation and Development (OECD) to review the agreement that limits export credit competition.

As a result, the meeting was cancelled and is now due to take place next month. An OECD official said, however, it was "highly uncertain" that the October plenary session of the so-called Consensus on Export Credit Interest Rates would go ahead.

The U.S. apparently gave as the reason the need to see positive action by European and other countries to stamp out mixed credits and to honour the OECD code on concessionary financing of exports.

Mixed credits are combinations of government aid and commercial credit used – especially by France – to win big project contracts in developing countries.

Officials speculated that the U.S. will not come to the table unless and until its OECD partners, particularly the EEC, commit themselves to the U.S. view.

The EEC has reacted with demands that U.S. financial subsidies on grain exports be put on the agenda.

Transatlantic differences have long plagued the Consensus, but the increasingly militant posture of the U.S. and its threats of massive retaliation have led to fears that the Consensus could collapse.

At present governments are on their honour to notify mixed-credit deals where the aid component is less than 20 or 25 per cent. The U.S. has been campaigning to get that trigger level raised to 30 or even 50 per cent.

The French, now copied by others, have demonstrated the effectiveness of including small amounts of aid in order to reduce the buyer's loan costs and to make French capital goods more attractive overseas.

Government warns over rise in unit wage costs

BY PHILIP STEPHENS, ECONOMICS STAFF

THE GOVERNMENT gave a stern warning yesterday over the impact of high wage settlements on the competitiveness of manufacturing industry.

The warning was prompted by a significant rise in Britain's unit wage costs in recent months.

Figures released by the Department of Employment show that wages and salaries per unit of output in manufacturing companies rose by an annual 8 per cent in July, nearly double the increase in the previous month.

Monthly figures are often distorted, but officials said that there had been a clear upward trend in unit costs so far this year.

In the three months to July the annual rate of increase was 5.5 per cent, up from 3.8 per cent in the three months to June. It compared with a rate of only 1.2 per cent in the last quarter of 1983.

Mr Tom King, the Employment Secretary, characterised the acceleration as a "most serious warning for the future of this country." The figures showed "a continuing yawning gap between us and our major competitors."

The minister said: "At a time when West Germany's costs have shown no increase, and when Japanese and American costs have actually fallen, the warning could not be clearer. If we want to earn our way in the world we must stop paying ourselves more than we can afford."

Tom King: concerns at effect on employment

The statement was seen as a reflection of the Government's growing concern that if earnings continue to outpace inflation at the present rate, there will be little if any scope for a fall in unemployment.

Officials in Whitehall were last night seen to reinforce that message with figures showing that in the first quarter of this year unit wage costs fell by an annual 3 per cent in the U.S. and by 5 per cent in Japan, against the 5 per cent increase in Britain.

The acceleration follows a sharp slowdown in productivity growth in manufacturing. It comes despite some signs that the growth in average earnings is beginning to slow.

Output per head in manufacturing rose by an annual 2.9 per cent in the three months to July, down from the peak rate of 8.4 per cent in the last three months of 1983.

That slowdown in turn reflects a combination of flat output and relatively stable employment in manufacturing industry in recent months.

The department said yesterday that job losses in manufacturing have now slowed to a monthly average of about 1,000, sharply down from the monthly figures of around 20,000 seen in early 1983.

The statistics also show that average earnings in the whole economy were rising by an underlying annual 7½ per cent in July, down from the 7¾ per cent recorded in each of the six previous months. For manufacturing, the figure fell to 9 per cent from 9¼ per cent.

TRADES UNION CONGRESS URGED TO SUPPORT CASE FOR COALFIELDS STRIKE BALLOT

Thatcher digs in over miners' dispute

BY JOHN HUNT AND MAURICE SAMUELSON

MRS MARGARET THATCHER, Britain's Prime Minister, said yesterday that the Government could make no concessions over the issue of uneconomic coal mines – even if it meant the miners' strike continuing for a year or longer.

"It doesn't matter how long this strike goes on, uneconomic pits will have to be closed," she said in a BBC radio interview.

In an interview with the Financial Times, Mr Peter Walker, Energy Secretary, defended the handling of the 28-week-old strike by Mr Ian MacGregor, chairman of the National Coal Board (NCB). He also brushed aside suggestions that the Government should now intervene in any negotiations for a settlement.

Mr Walker said he was confident that the electricity industry would have sufficient coal to see it through the coming winter without having to draw on any of the 20m tonnes of coal stockpiled at the pits.

Mrs Thatcher made it clear that the Government and the NCB were prepared to dig in their heels for a long struggle rather than give way on pit closures.

"We can't do anything other than close uneconomic pits. That has always been the case, and will continue to be the case, and must be the case if you are to have a good future for the coal industry."

Disagreement over how to define an uneconomic pit have so far blocked progress in talks between the NCB and the miners' union.

Again, Mrs Thatcher made a direct attack on violence and intimidation in the coalfields and challenged Mr Arthur Scargill, the National Union of Mineworkers' (NUM) president, to hold a ballot of his members, on whether the strike should continue.

Judging by her words, the Government's tactics seem to be to put moral pressure on the Trades Union Congress (TUC) not to assist the miners through industrial action unless such a ballot is held.

She maintained that the strike was being kept going by mob violence and the refusal to hold a ballot.

She believed, however, that "reasonableness would triumph" and that violence was repugnant to working miners and to many of those on strike. All efforts had to be concentrated on trying to get a ballot of miners. She thought the TUC would be concerned to see that they did not support a union that was sustaining its case by violence and refusing to have a ballot.

Mrs Thatcher gave a warning that if the TUC was seen to be supporting violence and the ballot refusal then the standing of trade unionism in Britain would plummet. She also emphasised that the law would be enforced in the coalfields and that the nationalised industries were free, if they wished, to invoke the civil law.

She rejected the suggestion of Dr David Owen, leader, of the Social Democratic Party, that parliament should be recalled to pass a law forcing a miners' ballot. She said legislation coming into effect in a few days time would enable action for damages to be taken against a union that called a strike without a ballot.

Mr Dennis Boyd, chief negotiator at Acas, the Government – supported conciliation service, yesterday headed talks with the NCB to review proposals made to the union at the talks which broke down last week.

Acas has already seen documentary evidence from the NUM on its negotiating posture. No further meetings involving Acas are planned for the time being.

Liberal Party assembly

Cruise compromise may unite delegates

BY PETER RIDDELL, POLITICAL EDITOR

A COMPROMISE proposal intended to unite the Liberal Party on the contentious issue of U.S. cruise missiles in Britain has been devised ahead of today's defence debate at the party's annual assembly in Bournemouth, South England.

The plan emerged yesterday as the assembly held its liveliest debate to date – on the miners' strike – and as Mr Roy Jenkins, the former Social Democratic Party (SDP) leader, sought to heal any divisions within the Social Democrat/Liberal Alliance.

The defence compromise has been prepared to bridge the gap between the demand of Liberal activists for the immediate removal of all cruise missiles from Britain and the preference of Mr David Steel, the party leader, for allowing the missiles so far deployed to remain als part of a general freeze on nuclear weapons, pending their removal through negotiation.

The compromise is that the Liberals should demand the removal of cruise missiles "at the conclusion of talks with our Nato allies to secure the total removal of cruise and Pershing missiles, as a means of achieving a progressive reduction of nuclear weapons throughout Europe."

The compromise, looks likely to gain majority support in today's debate.

Mr Steel was last night urged by close advisers not to intervene in the debate. In a BBC *interview* before the compromise was devised, he repeated his opposition to discarding either cruise or Polaris unilaterally.

The suggested compromise, with its implication of a unilateral Nato initiative on cruise and Pershing ahead of a Soviet response, goes further than the SDP leadership which, like Mr Steel, has stressed reciprocal disarmament by negotiation.

The highlight of yesterday's debates came in lively exchanges on the miner's strike when the Liberal leadership and Lord Ezra, a former chairman of the National Coal Board, jointly proposed a series of initiatives to create a framework for future negotiations. There were protests by a minority of delegates against "miner-bashing."

The official line, adopted by a large majority, attacked both the Government and the National Union of Mineworkers, while a call for an independent national ballot of miners was rejected.

Mr Roy Jenkins, a former president of the EEC Commission, was warmly received when he sought to stress the unity of the Alliance. His message was especially welcomed after the row on Tuesday over the references by Mr Bill Rodgers, the SDP vice-president, to equal allocation of parliamentary seats between the two parties. Mr Jenkins, the joint architect of the Alliance, called for a spirit of "enthusiasm, *affection*, respect and a bit of love, too, between the two parties."

Bonn's opposition to BCal threatens low-tariff plan

BY LYNTON McLAIN

THE GOVERNMENT is not prepared to approve the proposals from British Airways and Lufthansa for low fares between Britain and West Germany if the West German Government continues to block the more liberal proposals from British Caledonian (BCal).

This was made clear by the Department of Transport yesterday, two days after BCal had "made representations" to the department about the refusal of the West Germans to accept BCal's proposals.

BA and Lufthansa, the West German national airline, agreed in August to offer low fares with restrictions on their main routes. Cuts of up to a third off existing fares were proposed with 14-day advanced booking and a requirement to stay Saturday night. The APEX return fare between London and Frankfurt was planned to be £69.

BCal also proposed a £69 fare on the route, but with no advance booking or Saturday night stay requirement.

The West Germans blocked this proposal and wanted BCal to fall into line with BA and Lufthansa's more restricted fare schemes. The British Government favours unrestricted freedom of choice for airlines, and hence passengers, to do as they please on routes. The West German Government is more cautious and less inclined to liberalise air services between the two countries to the same extent.

Officials at the UK Department of Transport are considering the issues raised by their meeting with BCal on Monday. A proposed strategy for dealing with the impasse will then be put to ministers in the department ahead of a meeting between West German and British officials on October 4.

This had been pre-arranged to discuss liberalisation of air services between the two countries. The BCal issue is certain to be raised at the meeting if it is not resolved before.

Policy on sterling supported

By David Lawson

BRITISH BUSINESS leaders supported the Government yesterday in its policy of refusing to boost the falling value of the pound against the dollar.

Sir James Cleminson, president of the Confederation of British Industry (CBI) said: "This is something we can live with because the pound has maintained its level against the basket of other currencies."

He said that the council of the CBI which met yesterday, felt that the Government was right not to try to boost the value of the pound.

"The commodity market has not directly followed the dollar. If it did, then we would have real problems," Sir James said. The weaker pound might have been a problem to dollar-based UK importers such as the computer-related industry, but exporters to the U.S. such as his own *company – Reckitt & Colman – had* never had things easier.

Coal strike puts brake on recovery

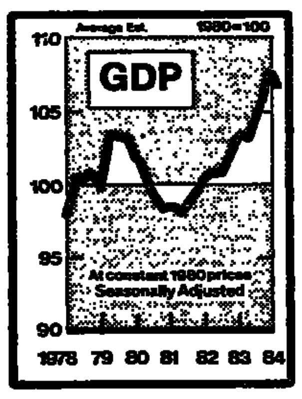
BY PHILIP STEPHENS

BRITAIN'S GROSS domestic product (GDP) fell nearly 1 per cent between the first two quarters of this year, according to official figures released yesterday.

The fall, the first since the beginning of 1983, was mostly the result of the miners' strike, but could also indicate some slowing in the pace of economic recovery.

The Central Statistical Office (CSO) said its average measure of GDP fell to an index value of 105.7 in the second three months of 1984 from 106.7 in the first quarter. The average measure evens out the three indicators of economic growth – output, income and expenditure – and is regarded by the Government as the best guide to the economy's overall performance.

The CSO said despite the fall, GDP in the second quarter was 2½ per cent higher than in the same period in 1983. It estimated that without the miners' strike the increase on a year earlier would be 3 *per cent, consistent with the Gov*ernment's growth forecast



Although the strike is having little effect on other industries it depresses the GDP figures because coal accounts for about 1½ per cent of national output and because the dispute has cut the surplus on oil trade.

Officials agree, however, that even without the strike there would *have been a small fall in GDP in the* three months to June.

TWA steps up fares war

FINANCIAL TIMES REPORTER

THE BATTLE to increase the number of UK passengers flying to the U.S. in the face of a weak pound intensified yesterday when Trans World Airlines (TWA) of the U.S. said it planned to offer its UK passengers £99 all-in tickets for eight domestic U.S. flights.

Passenger traffic from the UK to the U.S. has been hit by the strength of the dollar, which has pushed up the cost of holidays in the U.S. for British travellers.

The cheap transatlantic winter fares which TWA also wants to introduce alongside with its £99 tickets have still not been approved by the UK and U.S. governments under their bilateral agreement. The fares were filed with government authorities in July with the aim of being available from November 1, subject to 21 days' advance booking. The cheapest Apex fare, from London to Boston would be £239 return. British Airways has filed fares at the same level.

With the additional £99 ticket, passengers who have flown to New York on a transatlantic return ticket could travel onwards to California and back, and make stops at eight of 57 other cities served by TWA in the U.S.

"We are very aware of the impact the strong dollar has had on British travel to the U.S. this year. We have decided the cure is to make an offer too good to refuse," said Mr Timothy G. Brier, recently appointed TWA general manager in the UK.

TWA said that its fare proposals would leave the airline still operating at a loss over the winter period. Its low fares were designed to stimulate traffic and cut the TWA corporate loss from $80m in the first quarter of this year to $40m in the first quarter of 1985.

Virgin Atlantic, the small private airline which operates as a cut-price carrier has already protested that the cheap-fare offers by the major airlines over the Atlantic could be "predatory" and could kill off its service.

JOBS COLUMN

Confessions of an assessed personality

BY MICHAEL DIXON

"WELL it's immediately clear which one of you would make the worst manager," said occupational psychologist Peter Saville after a quick check of the score sheets. Then he slowly swivelled his piercing gaze across the assembled company. "Oh no—not again?," the Jobs Column thought.

Along with other journalists it had just been sampling the Saville and Holdsworth consultancy's new personality-assessment system. We were far from the first guinea pigs. More than 4,000 managers and specialist staff have been similarly processed during the four years the consultancy spent developing the system, called Occupational Personality Questionnaires, with the support of more than 50 leading employers.

Dr Saville, who led the project, says the OPQs constitute the world's first comprehensive system specially designed for use in selecting people for jobs. Personality characteristics are notoriously hard to pinpoint in an interview. But unless they are suited to the demand of the post in question, appointments or promotions are liable to go badly wrong especially if the job is a senior one. The higher the level of work, the more likely it is that failure will be blamed on a personality misfit rather than technical or intellectual shortcomings.

While personality tests have been used in recruitment for a long time, most of them were originally designed for a different purpose such as divining whether people are going bananas. That is why candidates for jobs as chief engineers or accountants and so on are sometimes puzzled by being asked whether they feel their soul is drifting away from their body. The OPQs, by contrast, are very much down to earth.

There are numerous versions, long and short, attuned to jobs of different degrees of complexity. In every case, however, recruiters wishing to use the system must first have staff trained to apply and interpret the questionnaires.

The version we took at the consultancy's headquarters (Windsor House, Esher Green, Surrey KT10 9SA; telephone 0372 66476, 67766, or 68634) was long, consisting of 186 of what Saville and Holdsworth calls "items." That is because they are not questions in the strict sense of the word. The victims are confronted with a statement and required to signify whether they strongly agree, agree, aren't sure, disagree or strongly disagree.

One item which discomfited several of the journalists was: "I am always successful at meeting deadlines." Professional pride dictated that we should instantly *strongly agree. But one* or two of us decided, after a pause for reflection, that we had better be honest and so declared ourselves unsure.

The 186 items assess 30 different aspects of personality which Dr Saville says the four years of research showed to affect performance in a wide range of managerial and technical and other specialist jobs, including selling. The standards against which the assessments are made are based on the responses of the thousands used as guinea pigs during the development work.

30 aspects

The first aspect measured is persuasiveness—to what extent the person enjoys selling, changes other people's opinions, is convincing in argument and so on. The other aspects are:

Controlling — takes charge, directs, manages, organises, supervises others.

Independent — has strong views on things, difficult to manage, speaks up, argues, dislikes ties.

Outgoing — fun-loving, humorous, sociable, vibrant, talkative, joyful.

Affiliative—has many friends, enjoys being in groups, likes companionship, shares things with friends.

Socially confident—puts people at ease, knows what to say, good with words.

Modest — reserved about achievements avoids talking about self accepts others, avoids trappings of status.

Democratic — encourages others to contribute; consults, listens and refers to others.

Caring — considerate to others, helps those in need, sympathetic, tolerant.

Practical — down-to-earth, likes repairing and mending things.

Data-rational — operates on factual information, enjoys assessing and measuring.

Artistic — appreciates culture, shows artistic flair, sensitive to visual arts and music.

Behavioural — analyses thoughts and behaviour, likes to understand people.

Traditional — preserves well proven methods, prefers the orthodox, disciplined conventional.

Change-orientated — enjoys doing new things, seeks variety, prefers novelty to routine, accepts changes.

Conceptual — theoretical, intellectually curious, enjoys the complex and abstract.

Innovative — generates ideas, shows ingenuity, thinks up solutions.

Forward planning—prepares well in advance, enjoys setting targets, forecasts trends.

Detail-conscious — methodical keeps things neat and tidy, precise.

Conscientious — sticks to deadlines, completes jobs, perseveres with routine.

Relaxed—cool under pressure, free from anxiety.

Worrying—keyed up before important events anxious about doing well.

Tough-minded — difficult to upset, can brush off insults, unaffected by unfair remarks.

Emotional control — refrains from showing feelings, avoids blowing top.

Optimistic — keeps spirits up despite setbacks, cheerful.

Critical — probes for the facts challenges assumptions.

Active — enjoys physical exercise, doesn't sit still.

Competitive — plays to win, poor loser.

Achieving — sets sights high, career-centred, concerned with results.

Decisive—weighs things up fast, may be hasty, takes risks.

Fudge check

Besides those 30, the OPQs assess another factor called "social desirability." But a high score on that one does not mean you're socially desirable. It means that the system has spotted that, instead of responding straightforwardly, you were *trying to cast yourself in a favourable* light. Fudging of that kind is not always deliberate. Some people are so keen to please that they do it unwittingly. They don't include many journalists, on the evidence of our showing at least.

Just in case any reader did not guess it at the outset, Dr Saville's award for the day's worst manager went to the Jobs Column. In 18 of the aspects, it was around the average for the thousands of people assessed during the trial period.

But it doesn't like companionship much and is not democratic. Nor is it considerate to others, practical or interested in forward planning or controlling other people.

To compensate, it isn't much interested in being controlled by them either, preferring to be left alone to be conceptual and innovative without showing its feelings and brushing off insults when need be. Fortunately, perhaps, it is good with words.

Fortunately, too, it takes all sorts to make a world, and it's equally true that not everybody can be managers. If they were, there'd be nobody left to get on with any actual work, would there?

Appointments Wanted

CORPORATE FINANCE EXECUTIVES

c £15,000 + substantial benefits

Our client, an international Merchant Bank, seeks two additional members to join a team offering corporate advisory services.

One is likely to be a graduate Chartered Accountant who has trained in an international firm and will ideally have gained post-qualification experience of investigations work.

The other will probably be a numerate solicitor with 12 to 18 months' post-admission experience, preferably concentrating on corporate finance matters.

In both cases, applicants must be able to demonstrate an above-average level of academic and professional achievement.

To arrange an informal meeting at which these opportunities can be discussed in more detail, please contact Robert Digby B.A.

Badenoch & Clark
Recruitment Consultants
16-18 New Bridge Street, London EC4V 6AU
Tel: 01-353 1867

London based/Aged 28/32

Business Development Manager

Electronic Products and Services c£20,000

Our Client is the publicly quoted holding company of a highly successful group of companies operating in a fast growing industry sector. Today they are the leading force in their specialist field and have interests both in the UK and overseas. This position has been achieved by sound management combined with an aggressive acquisition and investment policy. Profits and sales (currently £25m) have grown dramatically in recent years.

The Company is seeking a Business Development Manager to identify further investment opportunities and to manage the implementation of those projects allocated to him/her. The job holder will also contribute to the Group's development strategy.

The job calls for sound judgement, investigative and negotiating skills combined with an ability to handle the detail of project implementation. Candidates, aged 28/32, will be Chartered Accountants or MBA's as well as offering significant relevant investment experience. They should also have relevant experience gained either in smaller companies or in Venture Capital/Corporate Finance institutions ideally with an emphasis on small to medium sized private company work.

Please write in the first instance to E. St. V. Troubridge, quoting ref: 576, at Overton Shirley & Barry, Prince Rupert House, 64 Queen Street, London EC4R 1AD. Telephone: 01-248 0355.

Overton Shirley & Barry
INTERNATIONAL SEARCH AND SELECTION CONSULTANTS

Investment Management-Pension Funds

We require a fund manager at senior level with at least five years' experience of investment management (pension funds investment experience would be particularly welcome as would experience of marketing and investment research). There may be other opportunities as the result of the expansion of our business.

Our people are not selected on pure investment ability alone. Relationships with our clients are based upon ease of communications, mutual trust and understanding. Therefore, we consider that approach, personality and team capability are also essential ingredients in the make-up of a successful fund manager.

Highly competitive salaries will be paid depending upon individual ability and experience. Benefits are those you would expect from a major international merchant banking group, including low cost mortgage and free pension and life assurance.

Please write with full curriculum vitae to:
A. J. Hatton-Gore, Senior Personnel Officer,
Kleinwort, Benson Limited, 20 Fenchurch Street, London EC3P 3DB.

KLEINWORT BENSON
INVESTMENT MANAGEMENT

U.K. Fund Managers

Our client, a leading Investment House is expanding its investment department to cope with the growth in funds under management and it is currently seeking to recruit two U.K. Equity Fund Managers.

- One of these vacancies is for a Fund Manager to manage a **Smaller Companies portfolio** and previous experience of managing such a portfolio is a pre-requisite.
- The other position is for a Fund Manager to manage a **Special Situations portfolio** and applicants for this position should be able to demonstrate a flair for successfully exploiting trading situations.

In addition to managing these trusts the successful candidates will be given analytical responsibility for certain sub-sectors within the Consumer Group area of the U.K. equity market.

Candidates for these positions are likely to be in the age range 25-30 with at least 3 years fund management experience and they must be able to present their ideas coherently both verbally and in writing. Promotion prospects within this organisation are excellent.

Interested candidates should apply in writing, enclosing a full curriculum vitae to **Martin Constable,** Michael Page Partnership, 23 Southampton Place, London WC1A 2BP quoting ref. 3422.
Strictest confidentiality assured.

MP
Michael Page Partnership
International Recruitment Consultants
London New York Bristol
Birmingham Manchester Leeds Glasgow

TREASURY MANAGER

CHIEF DEALER

Age 27+ Sal £35,000

Prestigious International Bank seeks a well qualified candidate with a sound track record. Experience at Chief Dealer level plus a knowledge of dealing in all currencies essential. Main responsibilities however will be running the dealing team, day to day PR with Banks and Clients and marketing and developing new business. Full details from M & J Executive Banking Services.

588 0174

New Licensed Deposit Taking Institution

SENIOR BANKER

Douglas, Isle of Man

Our Client, a long-established City-based institution, is in the process of creating a new banking operation in the Isle of Man to provide a range of financial & lending services to its existing and potential clientele in both the private and corporate sectors.

The initial requirement is for a senior banker to assume responsibility for the bank's establishment, the development of deposits and the assessment and control of sound lending business.

This senior appointment will appeal to seasoned bankers, probably in their 50's, with a successful background in domestic, international or off-shore banking at management level. Integrity, initiative and imagination are considered to be key elements in a ground-floor opportunity which will be rewarded by a competitive salary in an environment offering attractive tax benefits.

Contact Norman Philpot in confidence on 01-248 3812

NPA Recruitment Services Ltd
60 Cheapside · London EC2 · Telephone 01-248 3812 3 4 5
Management Consultants · Executive Search

Developing new markets – Developing new services

Major Accepting House

The current wave of innovative changes within the City community have led our client to a concerted recruitment campaign. At this stage they require suitable applicants for the following positions.

UK Corporate Banker
c £25,000 + benefits
An experienced U.K. corporate bank officer. Ideally credit trained with a U.S. or European Banking Group. Direct marketing experience essential.
Age indicator: 25-30 years.

Corporate Finance
to £30,000 + benefits
Graduate Accountant, Solicitor or M.B.A. with 2-5 years experience within Corporate Finance Department, ideally within U.K. Merchant Bank.
Age indicator: 27-32 years.

Bond Sales
c £25,000 + bonus + benefits
Young ambitious experienced Bond Sales specialist. Knowledge of specific country markets and second European language particularly useful.
Age indicator: 25 years +.

Interested candidates should phone **Roger Tipple MA** (Manager) Banking & Finance Division on **01-404 5751** or write, enclosing a full curriculum vitae to: Michael Page Partnership, 23 Southampton Place, London WC1A 2BP quoting ref: 3423. Absolute confidentiality is guaranteed.

MP
Michael Page Partnership
International Recruitment Consultants
London New York Bristol
Birmingham Manchester Leeds Glasgow

Project Finance International Banking

We are seeking a person to join our Special Projects Group to be one of a small team responsible for marketing and developing the Bank's project related business and who will be expected to market and execute his/her own transactions.

The successful applicant will be someone who is familiar with the techniques of financing projects and who is attracted by a flexible; broadly focused approach to the area.

The person appointed will have a sound financial background followed by a minimum of 3 years' comparable experience.

A competitive salary and benefits package will be available for the successful candidate.

Please send a full c.v. to Sally Morse,
Personnel Department, Saudi International Bank,
99 Bishopsgate, London EC2M 3TB.

البنك السعودي العالمي المحدود
Saudi International Bank
AL-BANK AL-SAUDI AL-ALAMI LIMITED

Corporate Taxation-Regional Coordinator

based Hampshire

Warner Lambert (UK) Ltd. is an important member of a $3 billion international group with diverse interests in pharmaceuticals, health care products, toiletries and confectionery. The UK company, which also covers Eire and parts of Africa, has comprehensive manufacturing and marketing facilities and recent developments have included the opening of a new medical research centre in Cambridge.

This key position is within the Regional Finance Division at Eastleigh, Hampshire and reports to the Treasury Controller.
The main responsibilities will include:

- Provision of tax planning advice to Corporate and Regional management
- Agreeing tax computations with the Inland Revenue
- Ensuring compliance with tax statutes (company and VAT)
- Maintaining expertise on UK, US, and Irish tax regulations
- Maximising the use of available tax credits
- Initiating tax saving plans.

A relevant professional qualification is required, with at least 3 years' experience in taxation gained either in the profession or in industry. International tax experience would be an added advantage. Negotiation skills and the ability to master complex briefs are essential.

Salary will be negotiated in line with experience and is supported by a range of financial and other benefits.

Eastleigh is an attractive location within easy reach of Winchester and Southampton, the New Forest and the Hants/Dorset coast. There are excellent road and rail links to London. Naturally, full assistance with relocation is available.

Please send full personal and career details in the strictest confidence to Pamela Hill, Personnel Officer, Warner Lambert (UK) Ltd., Chestnut Avenue, Eastleigh, Hampshire, or ring her on Eastleigh (0703) 619777 for an application form.

WARNER LAMBERT

Computer Systems Development Project Manager

Lloyd's Insurance Market

c £18,000pa

Our client, a well established medium sized Lloyd's insurance broker, part of a larger group, is seeking an experienced DP professional to assume responsibility as Project Manager for the installation and implementation of a computerised word and data processing system. Applications are invited from positive, outgoing individuals who have been employed in financially related service industries and who are keen to develop a broad management role within the company.

The successful applicant should have proven skills in organisation, communication and man management, data processing, office automation, internal consultancy systems, development and project management and is likely to be aged between 30/40. A sound knowledge of insurance broking activities would be an advantage together with a professional qualification.

In addition to the starting salary, our client offers a wide range of fringe benefits and excellent opportunities for career development within the group.

Please write in the first instance to Stuart Rochester (Ref DHI) giving full details of career to date, outlining how this relates to the main requirements of the position.

Neville Russell
Chartered Accountants
246 Bishopsgate London EC2M 4PB

INVESTMENT ANALYST

A City Investment institution requires an analyst specialising mainly in small companies in the U.S. Occasional travel. Age 22-25. Previous experience preferred. Competitive salary and benefits.

Write with curriculum vitae to:
Box A.8726, Financial Times, 10 Cannon Street, London EC4P 4BY

Licensed Deposit Taker

seeks Graduate with Banking Degree, minimum 5 years' experience in Insurance Broking, good knowledge of Accounting, fluent in Farsi and English, good references essential.
Salary £7,500 pa (gross)
prospect of profit-sharing scheme £2,500 (gross) pa.
Travel expenses for UK applicants for pre-arranged interviews paid by Co.

Write Box A8743, Financial Times, 10 Cannon Street, London EC4P 4BY

Banking Recruitment Consultants

The Jonathan Wren Group is the acknowledged market leader in the field of banking recruitment. As a result of continued expansion, we now seek two additional consultants to join our highly successful team.

Applications are invited from ambitious and self-motivated banking personnel officers with experience of recruitment at a senior level or from banking consultants with proven success in executive selection.

Responsibilities include preparation of job specification, and assessment and selection of candidates. The successful applicants will also be expected to develop and maintain client relationships and it is therefore important that candidates possess good communicative and interpersonal skills.

This represents an interesting and challenging opportunity with ample scope to conceive and implement new ideas. A competitive base salary is offered, coupled with an excellent performance-related bonus.

Please telephone or send a detailed Curriculum Vitae to Brian Gooch, Director, or Roy Webb, Director, Jonathan Wren & Co Ltd., 170 Bishopsgate, London EC2M 4LX, tel: 01-623 1266.

Jonathan Wren
BANKING APPOINTMENTS

Deposit and Futures Dealer

A Deposit Dealer with Futures experience is required to develop eurocurrency and futures operations within NM Rothschild & Sons.

The position will require experience of the futures market and around two years' experience of deposit dealing.

Applicants must be able to demonstrate their ability to develop the futures aspect of our opeations. It is likely that the person appointed will be in the age range 23 to 30.

An attractive remuneration package will be offered, which will include profit-sharing, housing assistance and a competitive basic salary.

If you are interested, please send full details of your career to date to:

The Personnel Manager, NM Rothschild & Sons Limited,
New Court, St Swithin's Lane,
LONDON EC4.

N.M. Rothschild & Sons Limited

Senior Banking Appointment

City of London

The Co-operative Bank plc, amongst the most successful and dynamic of U.K. banking organisations, needs to secure the future forward thrust of its development in the City of London by the appointment of a **GENERAL MANAGER**, to take over responsibility from Mr. D. C. Maxey who retires in January 1985.

The job holder will report directly to the Chief General Manager of the Bank and will be responsible for the control and expansion of City based operations, including treasury, dealing, international and wholesale banking functions.

Based at the Bank's Cornhill office, this appointment carries the prospect of Board appointment in due course and the successful candidate will join the established senior management team driving this expanding Clearing Bank.

There is an appropriate Clearing Bank reward package that will match the major responsibilities attached to this appointment.

Candidates, who will already have a significant track record in the Banking sector should, in the first instance, apply confidentially to:-

Mr. L. Lee, Chief General Manager, Co-operative Bank plc,
P.O. Box 101, 1 Balloon Street, Manchester M60 4EP.

We are an equal opportunity employer.

co op Bank

The Royal Institution of Chartered Surveyors

Appointment of Secretary-General

The RICS is the leading body of the profession of the land in the United Kingdom. It has 72,000 members and employs 200 staff, of whom the Secretary-General is the chief executive and principal adviser to the Officers, Councils and Committees.

The interests of the Institution include the planning, valuation, development, marketing and management of land and buildings, both urban and rural, construction cost economics, building technology and surveying and mapping (including mineral and hydrographic surveying). Over 9,000 members practise overseas in more than 100 countries.

Applications are invited for the post of Secretary-General which falls vacant in July 1985

Preferred age 40-50 years (retirement at 60)

Salary not less than £35,000 pa

Pension arrangements by negotiation

Forms of application together with further information about the RICS and the post may be obtained from: The Secretary-General, The RICS, 12 Great George Street, Parliament Square, London SW1P 3AD. (Telephone 01-222 7000).
Closing date 31 October 1984.

Guidehouse

- CORPORATE FINANCE EQUITY SYNDICATION MANAGEMENT BUYOUT
- MERGERS AND ACQUISITIONS
- LEASE AND LOAN FINANCE
- OVER-THE-COUNTER DEALING
- DEVELOPMENT CAPITAL

Guidehouse Limited is a well established Issuing House having advised on well over a hundred buy-outs, syndications and acquisitions in its first four years. Fee assignments are usually in the UK where Guidehouse has strong provincial links, although assignments have been carried out in the U.S.A., Europe and Africa.

Four top people are now sought in any of the specialities shown. Positions created by expansion are likely to appeal to Directors, Managers or Executives in Merchant Banks or the Corporate Department of Stockbrokers with USM and syndication experience. Legal or accounting experience helpful.

The salary, equity and syndication package will attract the best people.

Apply in confidence (ring or write) to:
The Chairman (Ref JD)
Guidehouse Limited
Vestry House
Greyfriars Passage
Newgate Street
London EC1A 7BA
Telephone: 01-606 6321

Spearhead our Expansion

This major European banking group is poised to further extend and develop its UK and International exposure and currently provides a complete range of banking services to a broad client base. Established in the City for many years the spearhead of this planned expansion prompts two key appointments in the lending area.

Assistant Manager
UK/International Lending
c £22,000

As part of the management team you will be totally committed to further expanding the product line and client base. Taking complete charge in the absence of the Manager, your duties will include taking a global view of the loan portfolios, providing direction, motivation and support, servicing your own client base and being a central liaising figure between all departments.

Aged 30-35, preferably a graduate with good French, you are an experienced banker with a minimum of eight years in lending/marketing and have a broad knowledge of all loan related proposals.

Ref. 7338.

Lending Officer
UK Corporates
c £16,000

Secure your future promotion by using your knowledge of credit applications, loan administration/documentation and marketing flair. As part of this small closeknit lending team, you will have a minimum of five years' lending/marketing experience and be responsible for identifying and extending your client base by marketing current and new products.

Aged 28-32, a graduate with creative, aggressive and personal skills, you will be an integral force in the development of this progressive organisation.

Ref. 7339.

Both positions offer excellent career prospects together with competitive salaries and banking benefits. Please telephone or write quoting the relevant reference number in complete confidence to Carmina Leon of Cripps, Sears and Associates Limited, Personnel Management Consultants, 88/89 High Holborn, London, WC1V 6LH (Telephone 01-404 5701).

Cripps, Sears

Fund Management
£12,000 to £25,000

A major UK insurance company launching a new range of unit trusts later this year, seeks experienced individuals at all levels to augment their progressive investment management operation. Experience of the unit trust industry is essential.

European Analysis/Sales
£20,000 Plus

A major UK stockbroking firm seeks an analyst to help develop their well established European Department. Although experience of European Markets is not necessary a track record in a sector is essential. Prospects for the right candidate, who will be fluent in at least one European language, are excellent.

Institutional Sales
£15,000 to £40,000

A number of our clients, leading names with excellent research products seek both young salesmen with one to three years experience and thoroughly experienced executives who may be lured by greater security, rewards and partnership prospects.

USM/Smaller Companies
c. £15,000

Analyst probably aged 25 to 30 to take over well established coverage of USM/Smaller companies for a major firm of UK Stockbrokers. Whilst direct knowledge of the sector is not essential, proven experience of investment analysis is.

For a confidential discussion about these or many other positions with Stockbrokers and Institution please contact *Stephen Embleton or Elizabeth Evans.*

Stephens Associates
International Recruitment Consultants
44 Carter Lane, London EC4V 5BX. 01-236 7307

VOLKSKAS LIMITED

Young Ambitious Money market dealer required for expanding London operation.

Candidates should have a minimum of three years dealing experience and an overall knowledge of the London market.
Salary negotiable.

Please write or telephone C. J. Wilkins, Volkskas Ltd, 52/54 Gracechurch Street, London EC3V 0EH. 01-626 7800.

Elder Statesman
(We also have a vacancy for a Search Consultant)

Are you a top industrialist seeking a part-time or retirement appointment? Due to a bereavement, we seek a replacement figure, based in Windsor, who has broad international connections, possibly business school ties, and a propensity for marketing. A capacity to broaden relationships with clients and to assist with annual promotional activities are key requirements.
If you are interested, please contact: Peter Barnett at Head Office, Providence House, River Street, Windsor, Berkshire. Telephone: 56723.

Barnett Consulting Group

A CHANGE IN DIRECTION

If your career is at a dead end and you are considering a change of direction this could be the opportunity you are looking for.

Self-assured people with ability and business acumen are needed by our Cheam Office to train for new careers in financial services (of which life assurance plays only a part). Exciting opportunities for personal success and career development are linked with excellent training and the prospect of a very high income.

Without obligation, find out about our direction.
01-661 7711

FLOATING RATE NOTES

TOP REMUNERATION PAYABLE TO SALESPERSON

who is conversant with all active participants in the Floating Rate Note Market and capable of expanding retail business.

Write in confidence with personal details to

Box A.8738, Financial Times
10 Cannon Street, London EC4P 4BY

ADMINISTATION OFFICER

A busy City based company requires an Administration Officer to control office expenditure, compile budgets, purchasing of equipment and general office administration

Pref. 35-45 with relevant experience. Good salary and benefits

Write with curriculum vitae to:
Box A.8724, Financial Times, 10 Cannon Street, London EC4P 4BY

Morgan Grenfell
& CO. LIMITED.

Deputy to the Head of Financial Analysis

We are seeking a Senior Analyst to work within the Financial Analysis Department of the Bank. The department, which is part of the Central Management Division, is involved in the vetting of corporate and sovereign risk proposals and advising on lending structure.

The successful candidate will report to, and deputise for, the Head of Financial Analysis and in addition to normal analytical duties will be expected to be involved in the training and development of less experienced graduate staff.

Academically first rate, from a leading university, you will have experience in corporate lending analysis in both country and corporate risk. A previous training role or knowledge of computerised systems would be useful.

Career opportunities will be excellent and remuneration highly competitive to include such benefits as a *preferential mortgage scheme, non-contributory pension scheme* and free BUPA.

Applications, including full C.V. should be sent to:—
Sally Barnes, Personnel Officer, Morgan Grenfell & Co. Limited,
23 Great Winchester Street, London EC2P 2AX

INTERNATIONAL CORPORATE FINANCE

European Banking Company is the international merchant bank of the EBIC Group whose shareholders comprise of seven of the largest commercial banks in Europe.

The bank's origins, and its successful record of innovation and growth in international financing, give it exceptional potential to develop equity financing, new issues, mergers and other corporate finance activities on a pan-european basis.

There are outstanding prospects for executives to join the bank's growing international corporate finance team in London.

Successful candidates, ideally aged between 28 and 33, will have had several years experience in the corporate finance department of a leading merchant bank or stockbroker in the City. They must have the capacity to develop, innovate and implement transactions. They are likely to be graduates and/or professionally qualified. Experience in another financial centre and fluency in a second language would be considerable assets.

Salary and related benefits will fully reflect both the challenge and expectations of ambitious executives.

All replies will be treated in strict confidence. They should be marked for the attention of Michael Knight and sent to the Corporate Consulting Group, 24 Buckingham Gate, London SW1 6LB.

CCG
Corporate Consulting Group

LEASING MANAGER
London

Due to a continued involvement in leasing, Cable and Wireless requires a Leasing Manager, with highly developed communication and administrative skills, to join a small team responsible for all aspects of the business undertaken by several subsidiaries.

Responsibilities will include:

- assisting in the acquisition of new business
- the evaluation and negotiation of proposals
- the preparation of related legal documentation
- financial administration and reporting, including business forecasts and plans
- providing assistance in the funding and timing of leasing

Applicants should have wide experience of the UK leasing market, particularly the "big ticket" sector. Knowledge and experience of Project/Export Finance is highly desirable and a professional banking/accounting qualification would be an advantage.

A negotiable remuneration package commensurate with the level and responsibility of this position is offered.

Please send full details, quoting ref R299, to: Recruitment Manager, Cable and Wireless plc, Mercury House, Theobalds Road, London W1X 8RX or telephone for an application form on 01-405 4980 (24 hrs).

Cable and Wireless
WE'VE GOT CONNECTIONS

هكذا صدر الأصل

ASSISTANT PORTFOLIO MANAGER

A London based international organisation urgently requires an Assistant Portfolio Manager in his/her 20s with experience in the European Market. Good Salary and Benefits

Candidates should apply with Curriculum Vitae to:

Box A8725, Financial Times, 10 Cannon Street, London EC4P 4BY

FINA Taxation Manager

Epsom, Surrey

Petrofina (UK) Limited, a subsidiary of Petrofina S.A., the largest public company in Belgium, has interests in all major oil related fields through its UK group of companies.

The company is seeking to appoint an experienced tax specialist with the following attributes:

- ★ Preferably ACA and/or ATII with at least 4 years UK tax specialist experience, although graduates of other disciplines who meet all technical requirements should not be discouraged from applying.
- ★ The enthusiasm and communicative ability to manage the tax section and assist in the training of junior staff.

The role will involve the provision of expertise in all tax areas for the Petrofina (UK) Group often working to tight deadlines. Emphasis will be placed on the individual's ability to run, on a day-to-day basis, the tax section and, in addition, provide practical solutions to tax problems that will meet with the acceptance of the Revenue. The successful candidate will report to the Manager, Taxation and Audit, but tax planning and organisation will involve close liaison with Petrofina S.A. in Belgium.

A competitive salary is offered plus the usual large company benefits.

Interested applicants should contact **Lindsay Sugden, ACA, Taxation Division** on 01-405 0442 or write to her at **31 Southampton Row, London WC1B 5HY.**

MP

Michael Page Partnership
International Recruitment Consultants
London New York Bristol
Birmingham Manchester Leeds Glasgow

CHIEF ACCOUNTANT

Foreign Exchange & Money Market Operations

Our Client, the London based dealing operation which forms part of a significant and distinguished multi-national trading organisation, seeks a qualified Accountant to assume control of the financial aspects of all trading activities, in addition to the normal accounting functions.

Candidates, probably in their late 20's/mid 30's, will be Chartered Accountants with previous responsibility for f/x and money market accounting acquired from within an active international bank. Experience of cash instruments, financial futures and currency options would be particularly advantageous.

This can be seen to represent a challenging and highly attractive opportunity for a self-starter who relishes a close involvement in the international currency markets, and will be rewarded by a competitive salary and traditional City benefits.

Contact Norman Philpot as advisor to the Company on 01-248 3812

NPA Recruitment Services Ltd
60 Cheapside · London EC2 · Telephone 01-248 3812 3 4 5
Management Consultants · Executive Search

AUSTRALIA Stockbroking

If you are dissatisfied with your present position and want a challenge, we want to hear from you.
We are an Australian stockbroking house with important and valuable international connections and require a person, in London, to replace a returning Partner.
The respondent to this advertisement must have a working knowledge of the Australian stockmarket. A dealing mentality is a prerequisite; it is also important to be able to communicate and advise senior investment managers, for which our Head Office will provide essential back-up research.
Serious consideration would be given to a team interested in working in the changing Australian investment environment.
If you are well known a c.v. is probably not essential; if you think we have not heard of you then please provide one.

Please apply, in writing, to:

SOMERSET & CO.
19 Woburn Place, London WC1H 0LU
" Reference: Australian Stockbroking "

INTERNATIONAL BANKERS

ACA *LAWYER* *MBA*

Our clients, the leading Merchant and Investment Banks in the City, require exceptional candidates with relevant qualifications.

Opportunities exist within the capital markets, corporate finance, project finance and investment banking areas.

We would like to meet candidates in their twenties with a good degree and a professional qualification or an MBA, with or without banking experience, to discuss the opportunities.

For further details please write to or telephone:

R

Rochester Recruitment Ltd., 21 College Hill, London EC4R 2RP
Telephone: 01-248 8346

ELECTRONICS OPERATIONS

£30,000 to £35,000 p.a.

This premier electronics systems manufacturer is making a key strategic appointment to address the need for world competitive standards of operations technology and performance.

The task is to establish an optimum base for several high value complex product lines, directing and co-ordinating the contributions of materials and procurement, advanced manufacturing engineering and facilities and capital planning.

A professionally qualified manufacturing engineer is required with a strong assembly operations management capability and the potential to succeed to a directorship.

Age Indicator: 35-45 Base Location: London

Applicants are invited to respond, in confidence, by handwritten letter and a full resume to Trevor Lee, MD of EPI, who is advising.

E.P. INTERNATIONAL
(Advertising · Search · Selection)
46, Pall Mall, London SW1Y 5JG

Spot Dealer

c.£20,000 – Bank Benefits

A young and ambitious Spot Dealer is required by a leading international U.S. bank.

You should be aged between 22 and 26, and have gained two years' experience of handling a wide range of currencies in an active dealing room.

This position will ideally suit a dynamic young Dealer, with untapped potential, who seeks a move to a first rate name in the Foreign Exchange markets.

For additional information please contact **Trevor Williams,** in complete confidence, on **01-481 3188.**

CHARTERHOUSE APPOINTMENTS
CHARTERHOUSE APPOINTMENTS LIMITED
EUROPE HOUSE · WORLD TRADE CENTRE · LONDON E1 9AA · 01-481 3188

THE ROYAL LONDON

AN OPPORTUNITY IN FUND MANAGEMENT

The Royal London Mutual Insurance Society has, through expansion, created a new position within its small and successful investment management team. Applicants should be in their early twenties and have at least an upper second class honours degree in Economics. In addition applicants should be numerate and have a lively interest in current affairs. Although not essential, knowledge of micro-computer programming would be an advantage.

As a member of this team the successful applicant would be engaged, after a short period of training, in both research and dealing in connection with a large portfolio of Stock Exchange Securities.

This opening offers a competitive salary, interesting and varied work and the prospect of a challenging and attractive career to the right person.

If you are interested, please write, enclosing c.v. to:-

The Investment Manager,
THE ROYAL LONDON MUTUAL INSURANCE SOCIETY LIMITED,
Royal London House,
Finsbury Square, London EC2A 1DS.

INDUSTRIAL RELATIONS EXECUTIVE London—the City

The Financial Times, Europe's Business Newspaper, is currently seeking to appoint an Industrial Relations specialist.

The company employs approximately 1,700 staff in London and the position involves contributing to the provision of a full range of industrial relations services covering both printing and white collar staff. The specialised nature of industrial relations in the newspaper industry demands a high level of negotiating skills, decision-making and interpersonal skills as well as the ability to operate effectively in a highly-pressurised environment. Although previous experience in the newspaper industry will be an advantage, the successful applicant will have substantial experience of negotiating with industrial unions.

Applicants should ideally have a degree or equivalent professional qualification, be numerate, articulate and must be willing to work erratic hours. Those earning below £13,000 are unlikely to have the necessary experience.

Please apply in writing with full cv to:

Mr S Oram
Industrial Relations Director
The Financial Times
Bracken House
10 Cannon Street
London, EC4P 4BY

FINANCIAL TIMES
EUROPE'S BUSINESS NEWSPAPER

BOND SALES EXECUTIVES

£ EXCELLENT

On behalf of our client, a young, expanding and particularly successful International Securities House, we are seeking a number of Entrepreneurial Sales Executives for the Euro and domestic bond markets.

You should have two years' bond sales experience, although the geographical area is not important. You should be self-motivated and self-confident and possess a high standard of professionalism. For the right people the financial rewards will prove to be among the highest in the market.

If you feel you are the right person and would be interested in discussing these opportunities further, please contact Christopher Lawless B.A. or Stuart Clifford B.A.

Badenoch & Clark
Recruitment Consultants
16-18 New Bridge Street, London EC4V 6AU
Tel: 01-353 1867

CHIEF EXECUTIVE

Consumer Products Division

The Consumer Products Division of McKechnie Brothers plc — a medium size International Public Company — has a number of subsidiaries whose brands are household names. Its activities are important to the future growth strategy of the Group and a Chief Executive capable of realising its potential is to be appointed.

Candidates should have experience both of General Management and of High Street marketing at senior level. The preferred age is 35-45, giving scope for further advancement in the Group.

Total emoluments are negotiable but will not be less than £30,000 per annum with normal fringe benefits.

Please reply to The Chairman, McKechnie Brothers plc, Leighswood Road, Aldridge, Walsall, West Midlands WS9 8DS.

McKechnie Brothers plc

SENIOR CREDIT ANALYST

We are an established and highly successful International Bank based in the City and currently have a vacancy for a Senior Credit Analyst to join one of the two small teams of experienced analysts within our Credit Department. This post offers excellent career prospects.

Aged 25+, the successful applicant will have ideally completed a formal training course on credit analysis within an international bank, supported by at least two years' practical experience. The ability to communicate effectively is important and a facility for languages, particularly Spanish and/or Portuguese, is highly desirable.

Salary and benefits will be commensurate with experience. Applications will be treated in strict confidence. Please telephone Lynn Temple on 01-606 0631 for further details, or write to:

LIBRA BANK LIMITED
Bastion House, 140 London Wall,
London EC2Y 5DN

Corporate Finance Executive

London Salary – negotiable

We want to expand our corporate finance team, and are looking for a chartered accountant, lawyer or business graduate to advise our corporate clients on takeovers, mergers, acquisitions, disposals, management buyouts, flotations and fund-raising.

You should have post-qualification experience in investigations, business service or corporate advice in a professional firm, broker or merchant bank. Ideally, you should also have a good practical knowledge of company law and taxation.

Future advancement will be limited only by the successful candidate's ability.

Please reply with a detailed CV to: Richard White, Director of Corporate Finance, Clark Whitehill, 25 New Street Square, London EC4A 3LN.

Clark Whitehill
Chartered Accountants

THE ROYAL LONDON

SENIOR FUND MANAGER - OVERSEAS SECURITIES

The Royal London Mutual Insurance Society is seeking a Senior Fund Manager to take charge of the Overseas Stock Exchange investments of both the long term funds and the performance funds managed by the Society.

This is a senior position which would be based in the Finsbury Square City office and carries a competitive salary, excellent fringe benefits and good prospects for promotion to the right person.

The successful candidate will ideally be aged around 30, will possess a university degree or a professional qualification and will have not less than 5 years of general investment experience with at least a couple of years experience of overseas equities.

If you are interested, please write, enclosing your c.v. to:-

The Investment Manager,
THE ROYAL LONDON MUTUAL INSURANCE SOCIETY LIMITED,
Royal London House,
Finsbury Square, London EC2A 1DS.

General Manager

REQUIRED TO TAKE CONTROL OF RETAIL BUSINESS WITH SUBSTANTIAL CASH TURNOVER

The right man or woman will have a strong marketing background, an eye for details, and able to recruit, train and motivate staff. Full profit responsibility is to be assumed and an immediate start is envisaged. An unusually attractive package is available to the person proving successful in the position.

Reply to Box A8744, Financial Times
10 Cannon Street, London EC4P 4BY

FINANCIAL CURRENCY

Trader/Dealer

Foreign currency based business trading from worldwide locations seeks banker, commodity broker (or similar), to co-ordinate its foreign currency arbitrage and note dealing. There are no limitations to either salary or prospects for the person who is able to undertake and successfully develop this aspect of our business. The position involves substantial travel and also provides a unique opportunity to a particularly ambitious and determined individual.

Reply to Box A8740, Financial Times
10 Cannon Street, London EC4P 4BY

DESIGN & FURNISHING

MARKETING DIRECTOR

Homeworks is a well established growing, U.K. business with *significant turnover abroad. It consists of four main parts;* interior design and contract furnishing, a large showroom and the wholesaling and retailing of fabrics and furniture.

The Marketing Director will plan, direct and develop the sales and marketing effort to meet a major expansion programme. Candidates should have sound experience of relevant markets and marketing management. He/she must have a successful record of personal business development.

This new appointment, based in London, will command an attractive salary and car, with real prospects of substantial earnings growth, commensurate with results achieved.

Please write in confidence to Robin Guild, Managing Director, Homeworks Ltd, 107a Pimlico Road, London SW1W 8PH.

A direct line to the executive shortlist

InterExec is *the* organisation specialising in the confidential promotion of Senior Executives.

InterExec clients do not need to find vacancies or apply for appointments. InterExec's qualified specialist staff, and access to over 100 unadvertised vacancies per week, enable new appointments at senior levels to be achieved rapidly, effectively and confidentially.

For a mutually exploratory meeting telephone InterExec

London	01-930 5041/8	19 Charing Cross Rd. W.C.2.
Birmingham	021-632 5648	The Rotunda, New St.
Bristol	*0272 277315*	*30 Baldwin St.*
Edinburgh	031-226 5680	47a George St.
Glasgow	041-332 3672	180 Hope St.
Leeds	0532 450243	12 St. Paul's St.
Manchester	061-236 8409	Faulkner Hse, Faulkner St.

The one who stands out

CHIEF EXECUTIVE

For a rapidly developing retail and financial operation with 25 outlets in Europe, the Far East and shortly in the U.S. The *man or woman we're looking for has already gained a comprehensive* experience in marketing and sales and is able to recruit, motivate and energise various nationalities in dispersed locations. *He or she should also be able to deal with professionals and* business relationships at all levels. The candidate should be aged around 35-45 and be able to travel freely and extensively. A substantial *package is to be agreed and the prospects are* singular.

In the first instance reply to Box A8745
Financial Times, 10 Cannon Street, London EC4P 4BY

CJA

RECRUITMENT CONSULTANTS
35 New Broad Street, London EC2M 1NH
Tel: 01-588 3588 or 01-588 3576
Telex No. 887374

A career emigration appointment—or a 3 year contract with possibility of renewal. Good prospects exist of a senior management appointment in 12-18 months.

SENIOR ACTUARIAL STUDENTS

CAPE TOWN–SOUTH AFRICA **R.34,000–R.40,000+CAR+SUBSIDISED HOUSE MORTGAGE. INCOME TAX 25–30% APPROX.**

LARGE MULTI-FACETED LIFE ASSURER

The company underwrites all classes of group, ordinary and industrial business throughout Southern Africa and enjoys the distinction of insuring more lives than any other organisation in the country. Openings exist in their Head Office in Cape Town *for senior students who have one, two or three examnations still to complete or newly qualified actuaries.* Depending on aptitude and experience, the successful applicants will be placed in the pensions or life divisions. Continuous formal management training will be provided and the company operates a sophisticated on-line computer system in support of technical departments, also a very generous support programme for students including in-house tutoring and generous study leave. Salary negotiable, R.34,000-R.40,000, income tax 25%-30% approx. (the purchase power of the Rand equates to approximately 70p.). + car, subsidised house purchase scheme, relocation costs and resettlement allowances. Applications in strict confidence under reference SAS4285/FT, to the Managing Director:

A wide-ranging and deevloping role.

ASSISTANT MANAGER—PERSONNEL

LONDON **£14,000–£16,000**

INTERNATIONAL BANK

We invite applications from candidates, aged 28-33, with at least 3 years' experience in personnel, payroll and benefits administration, ideally in a bank, financial institution or international company. The successful candidate, assisted by an efficient team of three, will have responsbilty for the smooth-running of the personnel and payroll administration for over 150 UK and overseas staff. Important will be ensuring the timely and accurate payment of London and overseas salaries (on a manual system), benefits, producing monthly/quarterly management information and assisting seconded staff with visas etc. This is an excellent opportunity to demonstrate management skills, innovative flair, attention to detail and a team spirit in a *varied* and challenging appointment, where numeracy and communcation skills are important. Initial salary negotiable £14,000-£16,000 + mortgage subsidy, non-contributory pension scheme, free life assurance and free BUPA. Applications in strcit confidence, under reference AMP4289/FT, to the Managing Director:

CAMPBELL-JOHNSTON ASSOCIATES (MANAGEMENT RECRUITMENT CONSULTANTS) LIMITED,
35 NEW BROAD STREET, LONDON EC2M 1NH. TELEPHONE: 01-588 3588 or 01-588 3576. TELEX: 887374. FAX: 01-638 9216.

Unit Trusts
Manage Private Investor Marketing

Do you have a background in equities, unit trusts or unit linked investment? Could you run a department responsible for marketing unit trusts to the public? If so take this opportunity to join one of the largest UK investment companies where prospects for further advancement are excellent.

Reporting to a Director you will be responsible for managing 7 staff as well as personally providing a wide range of investment advice to existing and new private investors. An important aspect of the job will be to develop new ideas for direct marketing to individuals.

Probably in your late twenties or thirties you have experience of marketing financial services to the public and will ideally have had some supervisory experience. You are well organised, highly motivated and capable of achieving results in a dynamic and informal environment.

Salary will be in the range £15,000 to £20,000, plus bonus, BUPA, excellent contributory pension scheme and life assurance. To apply telephone or write enclosing a cv to Barbara Lord of Cripps, Sears and Associates (Personnel Management Consultants), 88/89 High Holborn, London WC1V 6LH. Telephone 01-404 5701 (24 hours).

Cripps, Sears

City Recruitment Consultants
58 Houndsditch
London EC3A 7DL
Telephone 01-623 4666

BUSINESS DEVELOPMENT EXECUTIVE
c. £10,000 - £12,000

A leading firm of Chartered Accountants wishes to appoint an additional Marketing Executive (age 23-28) to join a small team concentrating on the further development of their client base.
This is a challenging post for someone with excellent communicative skills, imagination and commercial acumen.
Responsibilities include:
★ researching and developing marketing opportunities
★ assisting in the production of brochures and seminars
★ liaising with the firm's Public Relations and Advertising Consultancies

Although it is anticipated that most applicants will be graduates with marketing experience and a working knowledge of the accountancy profession, other applicants with related experience, creative potential and the ability to work in a conservative environment will also be considered.

For further details please contact
LEWIS MARSHALL on 01-623 4688
or write enclosing a full C.V.

INTERNATIONAL BANK
CREDIT/MARKETING

Our current portfolio contains a number of career opportunities within the credit analysis/lending/business development area of international banking . . . covering a wide range in terms of specific function, level of seniority and shape, size and "flavour" of the particular bank.

CORPORATE MARKETING **£14,000-£22,000**

The recurring requirement is for graduate bankers, in the age range 28/35, who have progressed through a decent credit training and can already demonstrate successful experience of marketing a range of "products" to U.K. and/or European companies.

CREDIT ANALYSIS **£10,000-£17,500**

The common denominator in these appointments is that they each demand sound (pref. formal) credit training and practical experience: the basic difference between them (apart from level of seniority) is that some have either immediate or projected marketing involvement whereas others are more concerned with managment of the credit function.

To measure these opportunities against your own career objectives,

please telephone, in confidence,

John Chiverton, Ann Costello or Richard Levering

JOHN CHIVERTON ASSOCIATES LTD.
5, Castle Court, London, E.C.3, 01-623 3861

Manager Reporting
c. £18,000 + car

LOTUS DEVELOPMENT CORPORATION is the world market leader in personal computer business software with LOTUS 1-2-3 and the recently launched SYMPHONY—which does everything an office is likely to need all on one disc. The major moves we are making in Europe, with subsidiaries being set up in France and Germany as well as a manufacturing unit, have created the need for a Manager Reporting.

We see you as being a qualified Accountant aged around 30 with a solid business accounting background. Essentially this will include experience of *U.S. accounting and reporting, using computerised accounting systems for a* multi-national, multi-site operation. Experience of tax and treasury work would be advantageous, whilst knowledge of a second European language would be useful.

You are likely to be in a similar position in a commercial environment or alternatively be an Audit Manager with a leading firm of accountants. Reporting to the European Financial Director, you will be responsible for the consolidation of the European subsidiaries and reporting to the U.S. Working closely with the European controllers and the MIS Manager (currently being recruited) you will *set and harmonise standards, institute controls and co-ordinate reporting.* You will also assist the European Financial Director in Tax and Treasury management throughout Europe as well as carrying out ad hoc assignments from time to time. There will be some European travel.

This is a demanding but exhilarating role working to high standards and tight deadlines in a fast-moving environment with unlimited scope for personal growth and advancement in a young and expanding company. In addition to the good negotiable salary there is an excellent range of benefits including company car, BUPA, life assurance etc.

Please write, quoting reference RMF 11 with full career details to our advising consultant David Konrath: LOTUS DEVELOPMENT (UK) LIMITED, Consort House, Victoria Street, Windsor, Berks.

Lotus

These positions are open to both male and female applicants.

DIRECTOR REINSURANCE

An expanding Lloyds insurance broking group requires an experienced and enthusiastic person to expand the reinsurance company of the group in all classes of marine and non-marine insurance.
Candidates, male or female, will probably be in their 30's and must have had experience of London market excess loss and of direct American reinsurance business. It is expected that the successful candidate will bring a considerable amount of brokerage to the company. It would be quite acceptable for a person to bring their own team with them provided there is sufficient business to support them.
The position, City based, will report to the Managing Director. The remuneration package is negotiable and will reflect the responsibilities of the position. Applicants should be currently earning at least £25,000, and possibly considerably more including brokerage.

Please reply, in confidence, to

BURLINGTON SELECTION
New Bond Street House
1 New Bond Street
LONDON W1Y 9PE

WANTED: SLIGHTLY USED EXECUTIVES

If you are an able, experienced executive or professional person, yet somehow are not making the most of your potential, perhaps you need a new approach to your career. To learn how 'slightly used' executives have profitably renewed their careers, telephone for a free, confidential appointment — or send us your c.v.

CHUSID
The Professionals in Career Development

We are also specialists in '**Outplacement**' for organisations, through our Group Company **Lander Corporate Services Ltd.**

London: 01-580 6771 35-37 Fitzroy St., W1P 5AF.
Bristol: 0272 22367, Maggs House, 78 Queen's Rd., BS8 1QX.
Birmingham: 021-643 4830, The Rotunda, New Street.
Nottingham: 0602 584561, Gothic House, Barker Gate, NG1 1JU.
Manchester: 061-228 0089, *Sunley Building, Piccadilly Plaza.*
Newcastle: 0632 618861, 15e-174 Sandyford Rd., Jesmond, NE2 1X6.
Glasgow: 041-332 1502, 141 West Nile St., G1 2RN.

"There's nothing here for me" "Phone InterExec"

With access to over 100 unadvertised senior vacancies a week—InterExec guarantees to help you do something constructive about your future career. Quickly. Effectively.

InterExec is *the* organisation specialising in the confidential promotion of Senior Executives.

For a mutually exploratory meeting, call us right away.

InterExec
The one who stands out

London	01-930 5041/8	19 Charing Cross Rd, W.C.2.
Birmingham	021-632 5648	The Rotunda, New St.
Bristol	0272 277315	30 Baldwin St.
Edinburgh	031-226 5680	47a George St.
Glasgow	041-332 3672	180 Hope St.
Leeds	0532 450243	12 St. Paul's St.
Manchester	061-236 8409	Faulkner Hse, Faulkner St.

COMPUTER AUDIT MANAGERS £17-25,000+Car. London/Manchester	A major firm of Chartered Accountants seeks computer auditors aged 26-32 with large firm experience, to service a wide variety of work in the fields of both audit support and client advisory services. Candidates with strong technical and managerial ability are likely to attain partnership within 3-4 years. REF: DES.
ACCOUNTANT/ CO. SECRETARY c. £20,000 C. London	Full responsibility for financial and secretarial routines are on offer with this medium sized importing and trading company. Applications are invited from qualified Accountants with relevant sector knowledge and an awareness of treasury and EDP matters. Good communication skills and general management ability are paramount. REF: RSL.
DIVISIONAL MANAGEMENT ACCOUNTANT c £16,000 + Relocation Kent	A substantial sales and marketing company seeks a graduate Accountant aged 24-28. Responsibilities will include involvement in strategic and tactical decision planning as well as systems development in the pricing and modelling area. Candidates should have the ability to formulate *new concepts and sell them to management.* REF: DES.
COMMERCIAL FLAIR To £15,000+Car City	A newly created position with a substantial commodities group. As assistant to the Finance Director the successful candidate will be primarily involved in the provision of management reports and systems development exercises. This high profile appointment is ideally suited to a young graduate ACA seeking full commercial involvement. REF: MJH.
BUSINESS ANALYST c £15,000 W. London	This specialist service company within the finance sector seeks to monitor its product profitability by the appointment of a Business Analyst. Candidates will be qualified Accountants aged 26-34 with proven skills in budgeting, planning, financial analysis, systems development and project reporting. Good inter personal skills are essential. REF: MJH.
GROUP FINANCE c £14,000 Herts	This "non routine" position, based at the headquarters of a large manufacturing organisation gives responsibility for the performance *monitoring of subsidiaries. Applicants will be qualified Accountants,* who are familiar with all aspects of accounting, enjoy "ad hoc" project work and have extrovert personalities. REF: RSL.

HUDSON SHRIBMAN
The complete financial selection service
College Hill Chambers, 23 College Hill, London EC4R 2RT. Tel: 01 248 7851/8 (24 hours)

RECRUITMENT MANAGER

Chartered Accountants

CITY
Circa £15,000

Our client is one of the leading international firms of Chartered Accountants enjoying very considerable growth. Whilst they recruit large numbers of graduates, they also recruit about 250 qualified accountants a year in the general practice and specialist departments up to manager level. We are looking for a Recruitment Manager to handle this latter demanding area, which involves attracting high calibre candidates in a competitive market and then matching personalities and backgrounds to different parts of the firm, both in this country and overseas.

The job will also involve career development assistance to those recruited and the need to ensure that overseas staff brought to the UK on secondment are integrated at work and domestically. The role is a front end one with much contact with people; it is seen as a key position in the growth of the personnel function.

We are looking for a man/woman, possibly a Chartered Accountant, aged circa 25-28, who has the ability to select intelligent and able people in this field, preferably with experience of professional recruitment, possibly in a consultancy. Training or general personnel work would be an alternative background. A strong administrative ability and high level of initiative will be required.

Please apply with brief details to Christopher West, quoting ref. 1359C.
COURTENAY PERSONNEL LIMITED
11 Maddox Street, London W1R 9LE. Tel: 01-491 4014.

DIVISIONAL CHIEF EXECUTIVE

E Midlands — Neg c. £25,000 + Bonus + Car

- *Our client is a* **well established and profitable group of companies** whose 1500 employees are involved in **diverse and exacting contract work associated with the building industry** throughout the UK.
- The group's strategic plan now requires, reporting to the Group Chief Executive, a strongly commercially oriented **general manager/managing director** to **control companies contributing half the group turnover of c. £40M.**
- Presently ideally aged 33-45, earlier background could include **financial or marketing appointments**, reporting to a company or divisional board. Experience in a group function would also be useful.
- **An excellent benefits package** includes a negotiated contribution to relocation expenses where appropriate.
- **Candidates, male or female, please write requesting further details and an application form to David T Bentley, Senior Consultant, Investors in Industry Consultants Limited, Headrow House, The Headrow, Leeds LS1 8ES, quoting Ref. DB/497.**

3i Investors in Industry Consultants Limited
Recruitment Division

Eurobond Settlements

Credit Suisse First Boston Limited, a leading international investment bank, requires two experienced first line Supervisors in the settlements department. Exposure to back up on lead managed new issues and/or secondary Eurobond Settlements is a pre-requisite.
The successful applicants will be fully conversant with procedures relating to either or both of these areas. Salary will be negotiable according to age and experience and a full range of generous banking benefits plus bonus will be available with these positions.
Applications to: Ms. A.C. Callan, Personnel Officer, Credit Suisse First Boston Ltd., 22 Bishopsgate, London EC2N 4BQ.

CSFB

LEASING AND ASSET FINANCE EXECUTIVE

An Executive with experience of Leasing, Property Finance and other froms of asset funding is required to assist in the development and marketing of these products.
Please send C.V. in confidence to:
John Lenton, Managing Director,
Aitken Hume Leasing Limited,
30, City Road, London EC1Y 2AY

INVESTMENT FUND MANAGEMENT

The Investment Division of a major UK bank is expanding its Fund Management and wishes to recruit the following:

1. A SENIOR FUND MANAGER.
Applicants should have had several years experience of Pension Fund investment in UK equities and of reporting to Trustees. The successful candidate will probably be a graduate who is currently with a Merchant Bank, Stockbroker or other Investment Institution.

2. AN INVESTMENT ANALYST/JUNIOR FUND MANAGER
The successful candidate will probably be a graduate, 25-30 years of age, with some experience of Japanese equities.

Both positions offer attractive salaries and prospects.

Please contact Peter Latham, Jonathan Wren & Company Ltd.,
170 Bishopsgate, London EC2M 4LX. Tel: 01-623 1266

Jonathan Wren
BANKING APPOINTMENTS

Employee benefits consultants.

Would you rather let things happen? Or make things happen?

To an outsider, our Client is like any other large, successful, well-established British insurance group.

But from the inside, the company has the feel of an operation that's young, hungry and extremely fast-moving.

In other words, the ideal environment for a consultant who's ambitious to the point of impatience, and unashamedly commercially minded.

And with our Client's proposed restructuring of their benefit consultancy division, you could soon be experiencing the attractions of working in that kind of environment. Because the move will create new roles for additional consultants, new business goals for them to achieve, and the structure and management climate which will assist that achievement.

The emphasis in the brief will be very much on *business growth — either organic growth through* the enhancement of existing schemes for existing clients, or, even more exciting, the acquisition of new business.

If you're the type of consultant our Client has in mind, *your experience will have* given you a real understanding of all areas of employee benefits, and all aspects of their administration, design, *legislation and practice. We'll take your APMI* qualification as read.

Your c.v. will show a career progression and record of success that one would normally associate with someone in their late 30's: your date of birth will indicate that you're still in your early 30's, or even late 20's.

The initial salary will be around £17K, and a car heads a long list of benefits. Our main requirement is in the Home Counties but opportunities exist elsewhere throughout the UK.

If you're the sort of consultant who really wants to make things happen in his or her career, the first thing to do is send a copy of your c.v. to Confidential Reply Service. Ref AME 9082, Austin Knight Advertising Limited, London W1A 1DS.

Applications are forwarded to the client *concerned, therefore companies in which you are* not interested should be listed in a covering letter to the Confidential Reply Supervisor.

Austin Knight Advertising

Corporate Planning

c£13,500+car

C. & J. Clark Limited, an international Group, manufacturing wholesaling and retailing Footwear, with a turnover of over £500 million, needs an economist with experience in corporate planning to join a small H.Q. team in Street, Somerset.

He or she will report to the Director of Corporate Planning, and the work will include capital expenditure *appraisal*, acquisition *analysis* and market planning.

The successful candidate will ideally be aged 28-30 and have a good degree in Economics/Econometrics. He/she will probably be working in the planning department of a large commercial group and will be thoroughly familiar with standard statistical techniques. An MBA backed up by some business experience would be useful. The ability to communicate *effectively* both *verbally* and in writing is critical.

The Rewards:

Starting salary will be negotiable around £13,500 and other benefits include Company car, non contributory pension and life assurance schemes. Assistance with removal will be given where appropriate.

Please send me your c.v. or telephone for an application form:

Jeremy Baker,
Staff Services Manager,
C. & J. Clark Ltd.,
High Street, Street,
Somerset. Tel. (0458) 43131

CJC

Morgan Grenfell

& CO. LIMITED.

Business Systems Analyst – Merchant Banking

We are seeking two experienced Business Systems Analysts to join our computer Applications Development team.

Applicants, should have a minimum of 6 years data processing experience, including at least 2 years in a position such as Project Leader or Senior Business Analyst.

The successful candidates will assist in building and supporting a variety of complex *systems to serve one of the most innovative and successful Financial Institutions in the City.*

Applications are built primarily around ICL 2900 mainframes, though a variety of other machines are used in support, or for discrete tasks. Major systems currently under development utilise fully the scope of IDMS, TP, and Data Dictionary software. Knowledge of Database and Data Dictionary, together with formalised Data Analysis experience, would be advantageous, and relevant business experience within the financial community is essential.

Applicants will be expected to be capable of relating to Senior Business Management and will assume significant responsibility within a team structure, for the development and delivery of major system components to the satisfaction of a demanding User base.

Remuneration for these senior positions will be based on experience and benefits will *include a preferential mortgage scheme, non-contributory pension and free* BUPA.

Applications, including full C.V., should be sent to: –
Sally Barnes, Personnel Officer, Morgan Grenfell & Co. Limited,
23 Great Winchester Street, London EC2P 2AX.

EUROBOND

Sales and Trading

A leading U.K. merchant bank, long established in the Eurobond market, seeks senior sales and trading personnel to join an existing team.

Sales

The successful applicant will have considerable experience of selling fixed-income securities. This experience will not necessarily have been gained in the Eurobond market. The position involves servicing existing clients and developing new client business in a number of geographical areas. Some overseas travel is involved and languages would be an advantage.

Trading

The successful applicant will be an experienced dealer in a fixed-income securities market, not necessarily Eurobonds. The position involves market-making and position taking.

A competitive salary and a full range of benefits will be provided for each of these appointments.

Confidential Reply Service: Please write with full CV, quoting reference 1895/RS on your envelope, listing separately any company to whom you do not wish your details to be sent. CVs will be forwarded directly to our client, who will conduct the interviews. Charles Barker Recruitment, 30 Farringdon Street, London EC4A 4EA.

CHARLES BARKER
ADVERTISING·SELECTION·SEARCH

Montagu, Loebl, Stanley & Co.

At Montagu, Loebl, Stanley & Co, we have a long tradition of success, achievement and service and intend to carry on providing a personal approach to our clients.

In order to accomplish this aim we are looking for experienced individuals in both our institutional (equities and gilt-edged) and private client departments.

These opportunities may suit sales people, fund managers, teams or others in an environment where their individuality still counts.

Please apply in confidence to:

Mr. R. A. D. Froy
Montagu, Loebl, Stanley & Co
31 Sun Street, London EC2M 2QP

Phillips & Drew

CHARITIES & TRUST FUND DEPARTMENT

The Department wishes to recruit a graduate to assist a Fund Manager who has particular responsibility for international investments.

Applicants, male or female, should be in their mid-twenties with at least a year's relevant experience.

A competitive salary package, including bonus, will be offered.

Please apply in confidence to:

Miss D. Harman, Phillips & Drew,
120 Moorgate, London EC2M 6XP.

DRI Europe, Ltd.

Data Resources Inc. (a subsidiary of McGraw Hill and the world's leading economic consultancy) requires a:

SENIOR FINANCIAL ECONOMIST/CONSULTANT

To be responsible for managing relationships with UK Financial and Banking Clients, *supporting and training them in a wide variety of financial* and economic analysis. The job involves contact with all levels of management, requires the ability to work independently, to respond to clients needs connected with their use of DRI's software, data and services, and to develop projects in conjunction with clients.

The *successful* candidate is likely to have a degree in economics or business administration and had experience in a financial institution, probably doing research/analysis to support dealers/traders, investment managers, and policy-makers. Experience in using Statistical techniques, mainframe or personal computers is an advantage.

The job involves working in a well qualified and highly motivated team, drawing on the richest and most timely *collection of financial and economic* databases, with unequalled analytic/software facilities and ample computing resources. Salary, which includes a performance-related element will reflect experience, qualifications and the importance of this position. It is likely to be around £15,000 plus other benefits of a large international corporation.

Please forward your Curriculum Vitae to:

Office Administrator (MBJ/CS)
DRI EUROPE LIMITED
30 Old Queen Street
London, SW1.

Financial Services Group

Manager of new marketing activities

circa £22,000 + generous benefits package

OUR CLIENT is a major financial institution with a reputation for innovation and a dynamic approach to a successful sales and marketing strategy.

YOU WILL be aged 25-35 with an MBA or equivalent post-graduate qualification confirming a comprehensive grasp of marketing techniques preferably combined with a first hand appreciation of the wide range of personal financial products currently available.

YOUR ROLE will be to maximise sales of existing group products by exploring innovative forms of distribution to identify and develop other means of promoting demand for the services afforded by the company.

YOU MUST therefore be able to demonstrate good analytical skills together with a creative insight which will not be constricted by present practices. A further requirement is the ability to direct the efforts of others and to achieve results in support of an ambitious corporate objective.

THE REWARDS both financial and for your career are excellent. You will be located in a very attractive part of Southern England with ready access to London.

Please write outlining how you meet this specification to:

John Lee, Director,
Marlar International Limited, 14 Grosvenor Place,
London SW1X 7HH. Telephone: 01-235 9614.

Applications will be treated in complete confidence and will not be forwarded to our client without your permission.

Group Company Secretary

up to £20,000 plus car

Home Charm Group PLC is one of the fastest growing retail organisations in the Home Improvement market. Its Operating Divisions include Texas Homecare and BULK DIY.

Due to the impending retirement of the existing job holder, we wish to recruit a professionally qualified Company Secretary with five years commercial experience who will be responsible for the statutory, legal, insurance, pension and other administrative matters of the Company.

Reporting to the Group Finance Director, the job is based in North London and the preferred age is over 30 years. Preference will be given to applicants who are members of the Institute of Chartered Secretaries.

Benefits include a commencing salary of up to £20,000 per annum, a 2 litre car, pension scheme, BUPA and Share Incentive Scheme.

Please write enclosing a detailed C.V. to:
The Personnel Director, Home Charm Group PLC, The Hyde, Edgware Road, Colindale, London NW9 5AQ.

HOME CHARM GROUP PLC

FX Telex Operator

The European Division of Westpac Banking Corporation, Australia's largest banking group, has a vacancy for an experienced foreign exchange telex operator.

Applicants should have at least one year's experience *in such a post together with a good knowledge of the* activities in an established and active dealing room.

Please write giving full career details to:–

Tony Mathers,
Treasury Manager, Foreign Exchange,
Westpac Banking Corporation,
Walbrook House,
23 Walbrook,
London EC4N 8LD.

Westpac
Australia's world bank.

Travellers Cheque Sales

Regional Director – African Operations

Peterborough based **c£17,000 + car**

In the highly competitive world of Travellers Cheque sales, few markets are as demanding or as difficult as the African *continent*. At Thomas Cook Travellers Cheques Ltd, it is a measure of our continued success that we are the clearly established leaders in this market.

In order to maintain and build on that record, we are now seeking a talented finance professional to take overall responsibility for sales of our product range in Africa.

Reporting to the Director and General Manager of our International Division, you will lead a team of Sales Managers, based throughout the continent, towards improved efficiency, profitability and market penetration. This will involve you in regular visits to Africa and considerable personal liaison and negotiation with Banks and other customers. Ensuring we achieve high standards of service will form an *important* part of your duties.

To be considered you should be aged 30-40, of graduate calibre, with a relevant professional qualification and substantial experience in either Banking or Financial Services. In addition you must be positively sales orientated, with the drive, determination and personal motivation to achieve results.

On *offer* is a salary c£17,000, a company car and all the benefits and career development opportunities *expected of a major blue chip employer.*

Please write with full c.v. to
Miss A. V. L. Wood, Personnel Manager,
TCFS, Thomas Cook Group Ltd.,
PO Box 36, Thorpe Wood, Peterborough,
Cambs. PE3 6SB.

Thomas Cook

Executive Appointments

from £17,000 to £70,000 p.a.

Are you seeking a new job? If so, we can help you.

We assess your marketability, identify career objectives, design a marketing plan, and work with you to obtain your next top job.

With our unrivalled technological information systems and the widest network of contacts in Europe we also help identify unadvertised vacancies.

We have the most successful record in our field. That is why top executives use our services – that is why only we offer a success-related fee structure.

An initial meeting is free. Contact us today.

Connaught

Executive Management Services Ltd,
32, Savile Row, London W1 **01-734 3879**

SENIOR RECRUITMENT CONSULTANT

Remuneration Package (c) £20,000

We are the recruitment consultancy arm of the ICAEW which provides a comprehensive service for employers wishing to recruit Chartered Accountants together with other closely related activities and are seeking a consultant to join us who can offer experience in accountancy recruitment. As part of a small team you will be given complete responsibility for handling a wide range of assignments together with the opportunity to extend into all the other activities the Service is engaged in. For the right person there is an opportunity to take over as Head of the Service in the short term on the retirement of the present incumbent.

If you are aged *30+ with a proven record of achievement in recruitment* consultancy please write or telephone:

Michael Hoyle

CHARTAC RECRUITMENT SERVICES

Institute of Chartered Accountants in England & Wales
P.O. Box 433
Moorgate Place
London EC2P 2BJ
Telephone: 01- 628 7060

International Appointments

Accountancy Appointments

DIVISIONAL ACCOUNTANT

Rickmansworth

Mitsubishi Electric (UK) Limited is a successful and rapidly expanding subsidiary of the Mitsubishi Electric Corporation, operating in the high technology consumer and industrial electronic markets. Reorganisation of the accounting function has created a vacancy for a recently qualified accountant at the Rickmansworth sales and marketing office.

Reporting to the Chief Accountant, the Divisional Accountant, assisted by five staff, will be responsible *for the preparation of statutory and monthly accounts,* together with budgets and forecasts for the division. The successful candidate will be aged 25 – 40, with experience of computerised accounting and information systems. Exposure to a multi-national environment would also be an advantage.

We offer a first class employment package, including a twice yearly bonus, free BUPA cover and an excellent pension scheme. Please contact Alan Freemantle at the *address below for an application form, which will be* treated in the strictest confidence.

Alan Freemantle,
Personnel and Administration Manager,
Mitsubishi Electric (UK) Limited,
Hertford Place, Denham Way,
Maple Cross, Rickmansworth,
Hertfordshire WD3 2BJ.

MITSUBISHI ELECTRIC

SAINSBURY'S
Financial Analyst

ACA, 27-30

to £17,500 plus outstanding package

This is an opportunity to join one of our most *successful public companies,* J. Sainsbury plc, whose earnings per share have shown compound real growth of 13% p.a. over 10 years. The current rate of investment far outstrips that of any other UK retailer.

The position of Financial Analyst is offered within the small but highly influential Financial Appraisal Department, which is responsible for a wide range of planning, forecasting, appraisal and advisory functions. The role, though calling for a high level of financial skills, does not carry conventional accounting responsibilities. This is a high-profile position entailing exposure at board level, and career *prospects are unusually good.*

Candidates should be graduate chartered accountants with post-qualification experience either in the profession or within a large commercial or industrial company. Some investigations or analysis experience is essential. Benefits include a car, profit-sharing and very attractive share option schemes.

Please write in confidence, enclosing career details and quoting reference 5150/4, to N.P. Halsey, Executive Selection Division, Peat, Marwick, Mitchell & Co., 165 Queen Victoria St., Blackfriars, London EC4V 3PD.

PEAT MARWICK

SAINSBURY'S

ACA, 26-28

to £16,000 plus excellent package

J. Sainsbury plc, the leading retail group with a variety of subsidiaries and associates, is one of our most successful public companies. Its highly sophisticated management techniques offer exceptional experience to young managers embarking upon a commercial career.

The company now offers the position of Audit Manager to a young accountant with potential. The internal audit department enjoys a high profile and carries out a wide range of systems audit assignments within both financial and non-financial areas. Routine branch audit is not included in this role. There are excellent opportunities for career progression within the company.

Candidates should ideally be graduates trained by a large professional firm and should offer at least two years' post-qualification experience. The benefits package is outstanding and includes company car, profit-sharing and share option scheme.

Please write in confidence, enclosing career details and quoting reference 5150/3, to N. P. Halsey, Executive Selection Division, Peat, Marwick, Mitchell & Co., 165 Queen Victoria St., Blackfriars, London EC4V 3PD.

PEAT MARWICK

FINANCIAL ACCOUNTANT

c.£15,000

Jardine Glanvill (UK) Limited is a major Lloyd's insurance broker advising Government and private sector organisations and individuals on risk management.

A Financial Accountant is sought for one of our innovative specialist companies which markets a variety of group and individual insurance schemes and products to affinity groups. Reporting to the Managing Director this position assumes responsibility for all aspects of the financial management of the operation including the assessment of the many new opportunities which are presented, assistance in negotiations and the development and implementation of new information systems.

This is an exceptionally exciting opportunity for a progressive qualified accountant ideally in the age group 26-32 with a minimum of two years' post qualification experience who has the energy and entrepreneurial skills to contribute to the successful operation and development of this rapidly expanding operation. The position will carry an attractive compensation package and provide further career prospects for the right candidate.

Interested applicants should apply in writing with a full career resume to:

Mrs. E. M. Penycate, Personnel Manager
Jardine Glanvill (U.K.) Limited
P.O. Box 71, Beaufort House
15, St. Botolph Street
London EC3A 7HR

Jardines
Jardine Insurance Brokers Ltd.

Our Client is a subsidiary of one of the worlds' largest banks. For some years the Finance Industry has been undergoing rapid change, our Client has been one of the leaders of this change – continually developing products and services to meet new customer requirements.

TAX ADVISER

Negotiable from £20,000 plus Car

This new position is seen as one that will play an important part in increasing the bottom line profitability in an increasingly profitable and complex organisation. The primary function will be to play a proactive role in anticipating and addressing fiscal, legal and regulatory issues enabling the Group to take maximum advantage of environmental opportunities.

The successful applicant will be a qualified professional (member of the Accountancy and Tax Institutes) who has held a Senior post in a tax environment for several years. Experience of US tax regulations and management of corporate structures would be a distinct advantage. He or she will preferably have experience in a financial organisation either directly or through the tax department of a major Accounting practice. In addition to technical skills, a high level of commercial awareness and excellent communications skills are essential. Preferred age range, mid to late 30's.

Our Client offers an excellent benefits package including subsidised mortgage, non-contributory pension, private medical cover and permanent health insurance. They have a well deserved reputation for identifying potential and rewarding achievement.

Please write, quoting ref. X/0104 giving details of experience and qualifications or, telephone Reading (0734) 508456 for an application form. A detailed job description and applicant profile is available to all applicants.

BERKSHIRE PERSONNEL SERVICES
3/5 London Road, Reading, Berks. RG1 5BJ

BPS

Management Accounting in a Growth Environment

up to £17,500 p.a.

Our client is an internationally well-known quoted group of companies which has recently established a fully independent and accountable business unit within their London headquarters.

An experienced Accountant is now required who will have the opportunity of stamping his/her personality on a team eager to expand progressive management accounting systems. Your comprehensive responsibilities will include the development and introduction of integrated financial recording and management accounting systems, the provision of financial guidance to support the implementation of plans and policies, and active involvement in the ramification of business proposals.

Candidates should have a commercial background in a service or manufacturing industry, and a knowledge of management and computerised accounting systems. You must be able to demonstrate management ability, self-motivation and career progress in a competitive environment and will be professionally qualified.

There are good career prospects throughout the group; a salary of up to £17,500; and relocation expenses to London, where appropriate.

Please forward a full C.V., quoting ref. 314, to Terry Fuller, Deansgate Management Services, Garrick House, 27/32 King Street, London WC2E 8DJ, or telephone him for an initial discussion on 01-240 9108.

DEANSGATE
MANAGEMENT SERVICES
ADVERTISING · SEARCH · SELECTION

Financial Controllers

(Internal and External Finance)

The Council is seeking to make two senior appointments within its Finance Department, *both of which carry* the responsibility of deputising for the Finance Director.

The Internal Financial Controller will be responsible for managing the Accounts and Computer sections. This post would suit a young qualified accountant with post qualification experience. We are looking, in particular, for someone with the skill and enthusiasm to develop management and computerised accounting systems in an expanding enterprise.

The External Financial Controller will manage the Subsidy section and be responsible for controlling and assessing the Council's funding of subsidised organisations. This is a challenging position involving the implementation of the Council's new strategy and applicants must either be qualified accountants, preferably with experience in the arts or, exceptionally, have no formal qualification but be very experienced in accounting in the arts.

Salary is on a scale *from £13,649 to £17,906 per annum* (currently under review) and the Council has a non-contributory Pension Scheme.

For an application form and job description contact the Personnel Department, 105 Piccadilly, London, W1V 0AU. Tel: 01-629 9495 ext. 266. Closing date for receipt of applications is 5th October, 1984.

—An Equal Opportunity Employer—

Arts Council OF GREAT BRITAIN

Hoggett Bowers

Executive Search and Selection Consultants

BIRMINGHAM, CARDIFF, GLASGOW, LEEDS, LONDON, MANCHESTER, NEWCASTLE and SHEFFIELD

Financial Controller

North East Kent, to £17,500 + car

Our client is the UK's leading manufacturer of *generating sets,* using the latest electronics to maintain its technological lead in this rapidly evolving industry. The Group has recently reconstructed its accounting function and is now looking for a Financial Controller to report to the Managing Director of the main operating subsidiary (t/o £20m). The role involves full responsibility for all accounting and financial activities, including foreign currency and E.C.G.D. matters which are extremely important. The Financial Controller will be expected to make a significant contribution to the evolution of corporate, financial and general policy, and in addition to this, practical day-to-day 'hands on' involvement will be expected. The person appointed will probably be a Chartered Accountant, aged early 30's, with at least three years' line management experience in a computerised manufacturing environment. Relocation assistance will be provided, and there are good future prospects for candidates who can make a positive contribution.

J.R. Featherstone. Ref: 12311/FT. Male or female candidates should telephone in confidence for a Personal History Form **0532-448661,** *Minerva House, East Parade,* **LEEDS,** *LS1 5RX.*

Young C.A. For Financial Management

Computer Industry c. £17,000 + Car

A subsidiary of one of the world's leading computer manufacturers, our West London based client has an enviable growth record to date.

In a position having considerable impact on this £50 million turnover business, the accountant will be a key member of the financial management team. Working closely with the Financial Controller and supporting commercial functions, he or she will be responsible for management information and treasury and will structure, develop and manage 20 staff. The continuing considerable growth of the company should lead to increasing responsibility and to excellent promotion prospects.

In their mid to late 20's applicants should be chartered accountants with, at a minimum, managerial experience gained in an international practice. Please *write, enclosing a career/salary history and daytime telephone number to* David Hogg FCA, quoting reference 1/2245.

EMA Management Personnel Ltd.
Halton House, 20/23 Holborn, London EC1N 2JD
Telephone: 01-242 7773 (24 hour)

Accounting Manager

c£14,000

Mary Kay Cosmetics is a growing direct sales cosmetics company in NW9. It is very successful in Australia, Canada and the USA and it is now expanding into the UK and eventually the rest of Europe.

This is an excellent opportunity for a talented, 25-30 year old qualified accountant who will report to the V.P. of Finance and Administration. Primary experience should be in cost accounting and general accounting, with secondary experience and interest in office management, order processing and liaison with sales force. The initial task will be centred on providing financial and related general systems.

Applications should be sent to
Peter Jones Personnel Services,
88 Kennel Ride, Ascot,
Berks SL5 7NW.

Mary Kay COSMETICS

Group Finance Director

North East ***c£27,000+car***

Our client, is a vertically integrated engineering group of companies engaged in the manufacture and marketing of an extensive range of products for the mining, petrochemical and power generation industries *both in the United Kingdom and* overseas. The group is well established and over the last decade has made concerted efforts to redirect its traditional activities towards new profitable growth markets.

The group wish to appoint a Group Finance Director who will join their top executive team at main board level in the North East. The appointee will have a direct reporting relationship to the Group Executive Chairman. *The incumbent will have specific* responsibility for financial forecasting, cash management and data processing systems development in addition to normal group accounting responsibilities. Particular emphasis is placed upon the ability to contribute to the commercial success of the group and to advise the board on the achievement of corporate strategies.

Candidates should be qualified accountants ideally aged between 35 and 45 with substantial industrial experience at a senior level, preferably in engineering.

Benefits include an executive car, medical insurance, relocation expenses and a contributory pension scheme. Candidates whose experience and ability are appropriate to this demanding position should write setting out how their qualifications and experience meet this specification. Responses should be sent to:

C. C. Read Ref. MCS/0984, Executive Selection Division, Price Waterhouse Associates, Sun Alliance House, 35 Mosley Street, Newcastle Upon Tyne, NE99 1PL.

Price Waterhouse Associates

Computer Audit

Central London c£16–18,000 + Benefits

Our client is one of the UK's most prestigious financial groups. As a major user of sophisticated computer facilities with a range of development projects in hand to cater for the size and diversity of its business and changing management requirements it offers an exceptional opportunity to develop and demonstrate computer audit expertise.

We are retained to strengthen the multi-discipline audit team by recruiting qualified accountants, preferably aged under 30, with relevant computer audit or systems consultancy experience.

Responsibilities will embrace review of new and existing systems, assessing computer security, controls and efficiency; developing further interrogation techniques and providing vital support to the operational auditors.

Future accounting and systems career opportunities are extensive and the highly competitive remuneration package includes a non-contributory pension and subsidised mortgage.

Contact David Tod BSc FCA on 01-405 3499 quoting ref D/20/PF

Lloyd Management
125 High Holborn London WC1V 6QA Selection Consultants 01-405 3499

Accountancy Appointments

Make further progress in financial systems development

London based **Package from £18,000 to £28,000**

Having achieved considerable success in the field of developing and implementing financial management systems, where will you discover the opportunity to break new ground, to widen your scope and to gain the greater rewards that your increasing expertise merits?

Coopers & Lybrand Associates is a leading firm of management consultants. To provide the highest standards of service, we continually seek to develop and expand our systems, products and techniques.

To help us meet those objectives, we need high calibre professionals who can advise an exceptionally diverse range of businesses on the selection, development and implementation of "state of the art" financial application package systems for financial planning, reporting and transaction processing.

Not only will you be working at the vanguard of this important area of practice, you'll also be able to extend your career base into other aspects of financial management consultancy. You'll find the role offers increasing potential for managerial responsibility.

You should be a qualified accountant, aged 27-34, preferably a graduate with a sound business and management control approach. It is essential that you have up-to-date experience in planning, implementing and using major financial management packages from suppliers such as IBM, ICL, M&D, MSA and PPL.

If you are looking for a challenge with rapid career and salary progression assured, please write with career details to Allan McNab, quoting Ref. 20/85.

Coopers & Lybrand associates

Coopers & Lybrand Associates Limited
management consultants

Fleetway House 25 Farringdon Street
London EC4A 4AQ

---

scope executive

MANUFACTURING CONTROLLER

Hampshire **£14,000 to £16,000**

Our advanced technology electronics client turns over in excess of $4 billion per annum, leads the world in technological excellence in each of its four major product divisions and is currently investing several hundred million dollars in European expansion and product diversification. As part of these developments, the company has built a new manufacturing facility in Basingstoke to produce new generation equipment in addition to its existing lines.

They now seek to recruit a manufacturing controller to take responsibility for the development and implementation of new production accounting systems and the management of existing functions. Production cost control in particular is perceived as being a key factor in the future success of the business and this position will therefore entail exposure to the most senior company managers on a regular basis. It is therefore expected that the successful candidate, having made an early impact on the business, will be ready for early advancement.

Suitable applicants will be fully qualified accountants, probably in their late twenties with a good track record in a manufacturing environment. Preference may be given to those with experience ina multi-national computerised accounting operation but this requirement is not exclusive.

For further details, please contact:

JIM CADMAN
01-402 7162

10a London Mews, London Street, London W2. 01-402 7162

scope executive Recruitment & Consultancy

BUSINESS ANALYSIS

Our client is a major international trading group with a broad spread of business activities worldwide. An outstanding career opportunity exists for a high calibre accountant within the Head Office finance function. The position of Group Management Accountant is largely an interpretative role involved in business analysis, project appraisal and the evaluation of acquisition proposals. There are excellent opportunities for a move into line management; probably as Finance Director of an operating company.

C. LONDON. Ref: JG. C.£17,000 + Car

BRUSSELS

Our client is a fast growing UK based service company. This Assistant Financial and Administration Manager role will be ideal for an ambitious, recently qualified accountant seeking a new challenge in an international environment. Key responsibilities will include financial and management accounting, tax and treasury, budgeting, forecasting etc. Applicants, aged 25-30, should be highly motivated individuals with a 'hands on' approach to management.

Ref: CW. **To £17,000**

ROBERT HALF
FINANCIAL RECRUITMENT SPECIALISTS
ROMAN HOUSE, WOOD STREET, LONDON
EC2Y 5BA. 01 638 5191

ACCOUNTANCY APPOINTMENTS
APPEAR EVERY THURSDAY
Rate £34.50 per Single Column Centimetre

Young Accountant/ Potential Finance Director

Hampshire

c £16,000 + Car

Our client is a major subsidiary of a substantial nationwide retail group and is one of the leading names in its sector of the market. Turnover and profits are growing at an explosive rate and the company's ambitious plans include the opening of several major new stores.

Strong financial management will be critical to the achievement of the company's long-term objectives. They have decided, therefore, to appoint a high calibre and ambitious young Qualified Accountant to augment their small senior finance team.

This new position is regarded as a stepping stone to a Board appointment within the next 5 years and the widely varied nature of the work will provide you with ample opportunity to demonstrate your suitability for a rapid rise to the top.

Candidates should be in their mid 20's with a degree and at least 2 years post qualifying experience ideally in commerce.

An attractive remuneration package including a car is offered.

Please send concise details including salary and daytime telephone number, quoting reference WSG 999, to W.S. Gilliland, Executive Selection Division,

Thornton Baker Associates Limited, Fairfax House, Fulwood Place, London WC1V 6DW.

One fast-moving Financial Accountant with abilities to match his/her ambitions

c.£14,000 + car

Wang UK, part of a $2 billion US corporation, has enjoyed dramatic growth with sales rapidly approaching £100 million this fiscal year.

We want to hear from an accountant to whom problems are simply opportunities. This is a new and unique role, part of a 12-strong team, reporting directly to the Financial Accounting Manager. The prime responsibilities are the development and implementation of both new and enhanced accounting policies and procedures in the area of asset control; participation in the preparation of the monthly accounting package, and audit liaison.

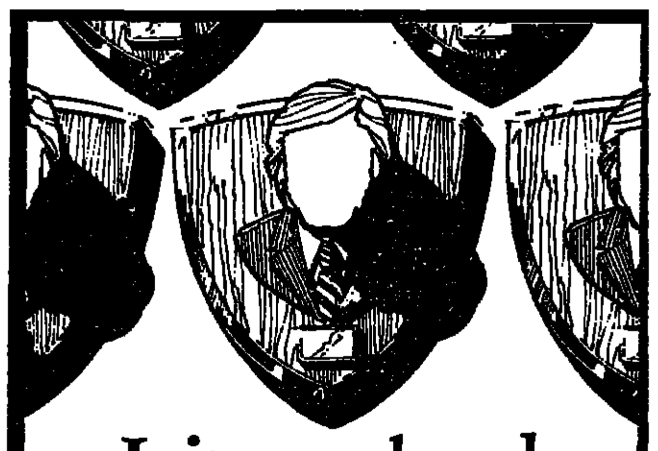
To be successful – and we want someone who has been successful to date – you will need to have ACMA, ACA or ACCA, be a technically sound accountant with a broad background, and a good communicator capable of leading projects where planning is important. We will expect you to move upwards fairly quickly but this will depend on your ability to achieve results. A background in a large growing American company would be useful but is not essential.

If you respond to this ad, you have the confidence we need. If your abilities justify your confidence, we shall be delighted to meet you.

Please send full career details to: Malcolm Falconer, Wang (UK) Limited, Wang House, 661 London Road, Isleworth, Middlesex. Or telephone him on 01-560 4151 for an application form.

WANG
The Office Automation Computer People.

WANGWANGWANGWANGWANGWA



Is it your head they're after?

It could be. If you register with Hall-Mark, the specialist register for accountants and financial managers.

It's the answer for busy, successful accountants who want to cut out the time consuming task of tapping the job market but want to see if they could be doing better. Whether you are registered with another consultancy or not we would like to hear from you.

By filling in our carefully researched 'Career Profile,' a five minute task at the most, you would be in line for some of the best opportunities. Our team of consultants are in contact with some of Britain's most successful and influential companies.

Employers who are daily registering new positions with us – many of which are never advertised – and commissioning us to provide a short-list of suitable candidates.

Short-listed right from the start – the employers would contact you, putting you in direct contact with the decision makers and in a good position to negotiate.

The searches currently being conducted are for positions throughout the UK in a salary of range £12,500-£30,000 pa.

HALL-MARK
The Appointments Register

London House, 271-273 King St., London W6 9LZ.

For full details of how our fast, free and fully confidential service operates please send off the coupon to: Michael Polley, FCA, Hall-Mark Appointments Register, FREEPOST, London W6 9BR (no stamp required). Or phone: 01-741 8011 01-748 3444 (24 hrs). Prestel 013903873

Name ____________________

Address ____________________

____________________ FT20 9

FINANCIAL DIRECTOR (DESIGNATE)

OXFORD **UP TO £20,000 + CAR**

Economic Forestry Group P.L.C., the UK's leading organisation in the private forestry sector, is a successful business with a turnover in the region of £30 million. In order to provide a sound basis for further expansion, the Group seeks to appoint a commercially aware financial executive at a senior level to strengthen the management of its Forestry Division.

Reporting to the Divisional Executive Chairman, the successful candidate will be heavily involved initially in the implementation of a new mini/micro-computer based accounting and management information system. The main task, however, will be to work closely with the Chairman and with local operating managers, providing financial advice and helping them to optimise performance.

Applicants should be qualified accountants in the 35–45 age range with relevant experience of management at senior level in small/medium sized service industry environments. They must be willing to travel extensively throughout the U.K. visiting regional and district offices. The position is based near Oxford and assistance will be given with relocation expenses.

Please send a comprehensive career résumé, including salary history and day-time telephone number, quoting ref: 2199 to G.J. Perkins, Executive Selection Division.

Touche Ross & Co.
Hill House 1 Little New Street London EC4A 3TR Tel: 01-353 8011

FINANCIAL CONTROLLER

Multi-national Construction Company

London/Essex **c £17,500 + car**

We have been retained by a well-established and highly successful international private group in the construction and civil engineering industry, to recruit a high-calibre accountant, capable and ambitious enough to become Financial Controller within twelve months.

This unique opportunity will ideally suit an energetic Qualified Accountant, aged 25 to 35 years, who is able to participate in the general management and who has sufficient drive and potential to achieve a Directorship in the medium term.

In addition to being responsible for all of the group's accounting and financial matters, this new position will involve the planning and implementation of a computerised accounting system.

The successful candidate must possess a keen commercial sense with the ability to demonstrate a high level of communication skills with executive non-financial personnel.

Please apply in complete confidence to the company's financial recruitment advisers, sending a full C.V. and salary history in writing, for the attention of

Gary Laurence, Selected Accounts Personnel, Suite 321 High Holborn House, 52-54 High Holborn, London WC1V 6RL. Tel: 01-242 0509.

Management Accounting

Qualified Accountant • Mid/Late 20's

Central London **£13–16,000 + benefits**

This is an excellent opportunity to gain extensive experience of management accounting in one of the largest and best known British groups. It will be equally suitable for a young qualified accountant seeking a first move from the profession or one commercially trained seeking further challenge and responsibility in an environment of increasing cost consciousness.

The structure of the group's accounting function and development policy will provide wide ranging opportunities at group or operating division level – as demonstrated by the progress of the current team.

Initial emphasis will be on constructive budgetary control and financial analysis, producing regular and ad hoc management reports and forecasts using advanced computer facilities.

Salary will depend on age and experience and benefits include a non contributory pension and subsidised mortgage.

Contact David Tod BSc FCA on 01-405 3499 quoting ref D/23/QF.

Lloyd Management

125 High Holborn London WC1V 6QA Selection Consultants 01-405 3499

AMBITIOUS QUALIFIED ACCOUNTANTS

International Banking **£13500-£16500 +**

On behalf of our client a Major UK International Bank we are seeking to recruit three additional young graduate qualified accountants. The positions have arisen due to the continued expansion of the bank and will provide excellent career prospects to finance or main-stream banking management.

Initially the roles will encompass the critical review and analysis of the management accounts, explaining variances to finance and line management. A high emphasis will be placed by management on personal commitment and the ability to deliver.

You will be a Graduate ACA, aged 24-28, having qualified with a Major Practice where you have had exposure to large computerised accounting systems in Hi-Tech and industrial audits.

Applicants should send their CV's in confidence to:-

Roger Parker Organisation
4, London Wall Buildings, Blomfield Street, London EC2M 5NT.
01-588 8161 Telex 8811725 CITLON G.

INTERNATIONAL SEARCH & RECRUITMENT CONSULTANTS

Accountancy Appointments

Accountancy Appointments

Group Finance Director
Public Company, London

EXCEPTIONAL OPPORTUNITY IN DYNAMIC COMPANY

The Company: One of Britain's innovative, most successful, high growth oriented, international, consumer product companies. Industry sector leader. Acquisitive. Publicly quoted with £100 million market capitalisation. London based.

The Role: Group Finance Director to play a major financial, strategic and general management role in expanding this Group. One of only a three-man top management team.

Qualifications: Must be a qualified Chartered Accountant, highly intelligent, alert, with financial management, corporate finance, acquisition negotiation and some treasury experience gained preferably in a merchant bank and/or international trading company. Age likely to be in late 30's to early 50's. A good presence is essential.

Compensation: A very attractive package of cash earnings and stock options will be structured. This is an exceptional opportunity.

Please reply with full resume to:
Box 867, St. James's House, 4/7 Red Lion Court, Fleet Street, London EC4A 3EB.

GROUP ACCOUNTANT

TO £16,000 **NORTH LONDON**

Halma is a highly successful group of companies operating internationally in specialist industrial markets. We seek a recently-qualified Chartered Accountant of high calibre to help us achieve the further planned growth of the group.

To match our requirements, the ideal candidate would already have experience of computerised management information and acquisition investigations.

There are outstanding opportunities for an individual with the potential to operate at Board level.

Write in confidence, with full c.v., to:

Mr. R. I. Howard
HALMA plc
Halma House, Kingsbury Road
London NW9 8UU

Financial controller

S Yorkshire, c £17,500 + car

C&L

A unique opportunity has arisen to participate in the management of a new company operating the most advanced plant of its type in Europe. The company has been formed as a joint venture involving major investment by two established businesses and will initially have a turnover of around £4 million per annum.

Reporting to the Managing Director you will work as a member of a small and highly motivated team. You will face the challenge of establishing effective control systems to ensure low unit costs and working capital, whilst contributing commercial judgement to enable the participating companies to build on their experience of traditional methods and optimise the advantages of the new plant.

Qualified and in your 30s or early 40s you should have a positive, forward-looking approach and offer well rounded experience and evidence of achievement in a manufacturing environment.

Please write, with a copy of your curriculum vitae, including a daytime telephone number to M D Rowley, Executive Selection Division, Ref. B208.

Coopers & Lybrand associates

Coopers & Lybrand Associates Limited
management consultants

Scottish Mutual House
Park Row Leeds LS1 5JG

Internal Audit
International Banking

We are seeking a qualified ACA with 1–2 years post-qualifying experience, preferably in banking, to join our Internal Audit Department.

As a member of a small team the successful candidate will play an important role in maintaining and developing the internal audit function to high professional standards. Reporting directly to the Internal Auditor, he/she will be working with a minimum of supervision in areas as diverse as Foreign Exchange, Financial Futures, Commercial Loans, Investment Banking and other new developments, all in a computerised environment.

This dynamic and fast moving London-based international organisation can offer distinct career development opportunities in other divisions of the Bank in due course. The person appointed will be rewarded with a highly competitive remuneration and benefits package.

Please write with full c.v. to Sally Morse, Personnel Department, Saudi International Bank, 99 Bishopsgate, London EC2M 3TB.

البنك السعودي العالمي المحدود
Saudi International Bank
AL-BANK AL-SAUDI AL-ALAMI LIMITED

Financial Director

International publishing

Central London package to £25,000 + car

This very successful, independent publishing house has achieved market leadership in high-quality reference books in less than ten years, and has gained an international reputation for creativity and excellence. Over two thirds of its £6m revenue is generated from overseas contracts. Now, with several subsidiaries in new, expanding markets and some 60 highly committed staff, it enjoys exciting prospects for further growth. The Financial Director will play a central role in managing the company and building on its success. Responsible for all aspects of financial management, he or she will have the initial task of refining management reporting and accounting systems and extending the use of computers. Candidates, probably in their mid or late 30s, must be qualified accountants with experience in all aspects of the financial management of an export-oriented business. They should be attracted by the informal, creative atmosphere on which the company thrives. A background in publishing, though ideal, is not essential. The post is tenable initially as 'designate' and a formal Board appointment is envisaged within six months. Salary is negotiable and the benefits package includes generous profit-sharing arrangements.

Please send brief cv, in confidence, to Peter Greenaway, **Ref: AA51/8888/FT.**

PA
PA Personnel Services

Hyde Park House, 60a Knightsbridge, London SW1X 7LE.
Tel: 01-235 6060 Telex: 27874

AUDIT MANAGERS

LONDON

Salary to £25,000 plus Benefits

Touche Ross & Co., one of the world's largest and most progressive accountancy practices, is experiencing significant growth in the demand for its services.

Applicants should be chartered accountants, aged up to 34 and should have obtained relevant supervisory experience within the profession, industry and commerce, in the U.K. or overseas.

Prospects for promotion are excellent for people joining us at this stage of their development.

Please send a full career résumé, including salary history, quoting ref. 2200 to Raymond Hurley, Resource Development Partner.

Touche Ross & Co.
The Business Partners
Hill House, 1, Little New Street, London EC4A 3TR.
Telephone: 01-353 8011

ACCOUNTANCY JOURNALISM

Accountancy is looking for a graduate chartered accountant to join its News team.

Candidates will be expected to demonstrate a knowledge of, and interest in accounting and auditing standards, taxation, finance and management.

Journalistic experience is desirable but not essential.

Applications, which should include a curriculum vitae, should be addressed to: Mrs C. Hoodless, Personnel Manager, The Institute of Chartered Accountants in England and Wales, P.O. Box 433, Chartered Accountants' Hall, Moorgate Place, London EC2P 2BJ.

Accountancy
Journal of the Institute of Chartered Accountants in England & Wales

Financial Analysts

To Financial Controller in 18 months

WEST LONDON • c£13-17,500 + CAR

Fast moving products, sophisticated manufacturing and aggressive marketing characterise our client's business. As a Financial Analyst you will play a vital role in advising operating management on the financial implications of business decisions as well as contributing to the further development of some of the best financial software currently available.

They are a £700m turnover division of one of the UK's largest and most successful companies. The division comprises 5 businesses with turnovers from £50-£300m.

Applicants will be qualified Accountants or experienced MBA's, probably aged 24–30, with first hand experience of large commercial or industrial companies. Appointments may be made at varying levels depending on experience. All candidates must have the potential to assume controllership responsibilities for one of the businesses in the medium term.

Remuneration will attract the very best people, and will include a fully expensed 2 litre car. Salaries are likely to be in the range £13-17,500 but could be more for candidates with substantial proven experience.

Make the first move by writing, in the first instance and in confidence, with concise details of career to date, stating any companies to which your application may not be sent, to: Peter Tydie, Account Manager, (Ref: 293).

WBH *whites bull holmes ltd.*
P.O. Box 275, 63 St Martin's Lane, London WC2N 4JX

Financial Director
Designate

East Yorkshire £20-£25,000 + car

Our client is Phosyn Group Limited based near York, whose business is the manufacture and sale of micronutrients and analytical services for agricultural purposes. The Company is active throughout the U.K. and in several countries overseas.

The post of financial director designate is broad-ranging in nature and calls for an experienced, commercially-minded accountant. Responsibilities include the control and development of the financial and management accounting activities, the development of reporting systems and management of the DP department.

Applicants, ideally chartered accountants aged 40, must possess some managerial experience that should include running a DP department.

Interviews will held in Leeds.

Please write to M J B Ping, enclosing a detailed CV, quoting reference F/764/P.

E&W Ernst & Whinney Management Consultants
Becket House, 1 Lambeth Palace Road, London SE1 7EU.

HEAD OF INTERNAL AUDIT

up to £24,405

This London-based post carries overall responsibility for internal audit functions within the Property Services Agency including overseas regions and Crown Suppliers. The PSA provides and maintains accommodation, buildings and fixed installations for government departments, including the armed services; and manages most of the government's land and property estate. It is the largest construction organisation in the country employing 27,000 staff and with an annual spend of over £2 billion.

The appointee, who will head a team of 80 auditors, will report direct to the Principal Finance Officer and have the right of direct access to the Chief Executive.

Candidates, normally aged at least 35, must be Chartered, Certified, Cost and Management or Public Finance Accountants. They must have wide knowledge and experience of internal audit practice and management.

Salary: As Grade 5 £20,490 – £24,405. Starting salary may be above the minimum.

For further information about the work, ring Mr. M. V. Hawtin, Principal Finance Officer, on 01-212 3963.

Relocation assistance may be available.

For further details and an application form (to be returned by 12 October 1984) write to Civil Service Commission, Alencon Link, Basingstoke, Hants, RG21 1JB, or telephone Basingstoke (0256) 68551 (answering service operates outside office hours). Please quote ref: G/6334.

The Civil Service is an equal opportunity employer

PSA
Property Service Agency

Chief Accountant

Leading Marketing Consultancy

Central London c£15,000

Our client is a rapidly expanding group providing a comprehensive range of marketing services including advertising, consultancy, promotions and direct marketing. It is an autonomous member of one of the largest worldwide advertising groups and has ambitious development plans.

A qualified accountant aged mid/late 20's is sought to work closely with the Financial Director and control the accounts department. Main responsibilities will include cash control and forecasting and preparation of financial and management information for subsidiary company and group purposes.

Accounting for the varied businesses within this fast moving environment will provide extensive contact with young creative managers so enthusiasm, flexibility and communication skills are essential. Future prospects and earnings potential are considerable.

Contact David Tod BSc FCA on 01-405 3499 quoting ref D/28/MF.

Lloyd Management
125 High Holborn London WC1V 6QA Selection Consultants 01-405 3499

CHIEF ACCOUNTANT

c £15,000 + Car — Near Guildford

We are a profit-orientated organisation engaged in distribution (turnover £14m) and are part of a substantial privately owned industrial group.

Applicants must be qualified accountants (ACA, ACCA, ACMA) seeking the opportunity to work as part of a dedicated management team. The successful candidate will be enthusiastic, positive and capable of making a significant contribution to the development of the business.

The remuneration package will include a company car, profit share, contributory pension scheme and BUPA cover.

Please send detailed curriculum vitae to:

E. G. Cooke F.C.A., NEWSHIP GROUP LIMITED,
Sendmarsh Work, Ripley, Woking, Surrey, GU23 6LD.

Accountancy Appointments

NEWLY QUALIFIED ACCOUNTANCY APPOINTMENTS

The Financial Times has arranged with the Institute of Chartered Accountants to publish a list of those candidates who were successful in the recent Part II examinations.

We propose to publish the list in our issue of Thursday, September 27, which will also contain several pages of advertisements under the heading of "Newly Qualified Accountancy Appointments." The advertising rate will be £34.50 per single column centimetre. Special positions are available by arrangement at premium rates of £40.50 per scc. Newly Qualified Accountants, especially Chartered, are never easy to recruit—don't miss this opportunity!

We will also be including in this feature a

GUIDE TO RECRUITMENT CONSULTANTS

and entries in the guide will be charged at £50 which will include company name, address and telephone number.

For further details please telephone

IRENE NOEL on 01-248 5205
ROBERT WINTER on 01-236 9763
or
MIKE HILLS on 01-248 4864

EUROPE'S BUSINESS NEWSPAPER

Finance Manager

Accountant or MBA with Business Management Ability

Age 28-33 Berkshire flex c. £20,000 + Car

It is rare to find a financial appointment which exploits one's background in a wider commercial sense as a key member of a central management team removed from the more mundane aspects of accounting.

Our client, the UK operation of a dynamic 'household name' multinational fmcg company, renowned for the experience and responsibility it provides its staff at an early age, offers such an opportunity.

A rapidly expanding Division providing high levels of after-sales service and operating through 35 outlets in the UK, which is regarded as a distinct profit-centre within the Company, is seeking a mature, commercially minded and pragmatic young Finance & Inventory Manager. Reporting to the Division's Director, this position holds day to day responsibility for overall divisional financial control and inventory management, the monitoring of performance, systems development and the setting of overall policy and direction. Together with central divisional operating management, this individual plays a key role in influencing, supporting and assisting field management in the running of their 'business units.'

Candidates are likely to be qualified accountants (or MBA's with a sound understanding of management accounting) and good communicators and promoters of their ideas at all levels. Experience of retailing, motor or service trades, whilst not essential, would be an asset.

Individuals with ambition and potential can expect rapid progression into either a line finance appointment or, very possibly, into a broader commercial management position.

Interested individuals should write enclosing a CV and a note of their salary to:

Harry Chryssaphes, Director, Financial Management Selection Limited, 21 Cork Street, London W1X 1HB (Tel: 01-439 6911)

Financial Management Selection

Finance Director Designate Advertising Agency

City To £18,000 + Car.

Our client is an expanding advertising agency well established in the London market handling consumer, retail, business to business and industrial advertising.

A key position now exists for a Qualified Accountant seeking a long term rewarding career.

Reporting to the Board for the entire accounting function you will be responsible for developing the flow of monthly management information, statutory accounting, cash flow reports, credit and cash control. Familiarity with computer based accounting systems and the ability to supervise a small staff is essential.

Probably in your late 20's to early 30's with an advertising or related background you will have the stature and business acumen to assume a board position within two years.

For further information and a confidential discussion please telephone Richard Green, quoting reference 2765.

60 Mark Lane,
London EC3R 7NE.
Tel: 01-265 0377

db dunlop & badenoch
Recruitment Consultants

EUROPEAN TROUBLESHOOTERS

SWINDON neg. to £23,000 plus CAR

Our client, NATIONAL SEMICONDUCTOR CORPORATION, with European turnover in excess of $400m and expanding fast, seeks a capable young qualified accountant, either ACA/CA/ACCA/MBA or equiv. aged 27-33 with a strong professional background and perhaps a second European language.

There is travel content of 50-60% throughout Europe on individual assignments lasting two to four weeks and the successful candidate will be strongly self-reliant, energetic and highly competent both work-wise and in inter-personal relationships.

A two week induction period will initially be spent at Corporate H.Q. in the U.S.A. and there will be regular subsequent trips for debriefing, reviews and conferences.

Promotions prospects are excellent as the appointee will have very high visibility to senior management.

Please telephone and send career details to:
GEORGE D. MAXWELL, Managing Director
ACCOUNTANCY APPOINTMENTS EUROPE
1-3 Mortimer Street, London W1N 7RH
Tel: 01-637 5277 ext 281/282 or direct 01-580 7695/7739

Accountancy Appointments Europe

Group Accountant Newly Qualified ACA

City
Up to £15,000 + benefits

Our client, Micro Business Systems plc, is a highly marketing-driven group engaged in the distribution and maintenance of computer equipment. They are fulfilling an impressive policy of growth and have just transferred from the USM to a full Stock Exchange listing. As a result of this expansion they are able to offer an exceptional career opportunity in the position of Group Accountant. The responsibilities of this varied role include:

Financial Analysis
Assistance with acquisitions
Operational review
Special projects

Candidates should be newly qualified chartered accountants looking to make a first move out of the profession. Personal qualities should include initiative, adaptability and highly developed business acumen.

Please apply to Anthony Jones, Career Plan Ltd., Chichester House, Chichester Rents, Chancery Lane, London, WC2A 1EG, tel: 01-242 5775.

Career plan LIMITED
Personnel Consultants

CHIEF ACCOUNTANT

London c£18,000 + CAR

Our client is a substantial unquoted City group whose main interests are in Shipping, Insurance and Investment related activities.

It now seeks a Chartered Accountant aged 32-40 to be resposible for all aspects of period and annual accounts, budgets and forecasts, treasury control and systems development.

Candidates should have considerable familiarity with the control and development of computer-based systems and the personality and educational background to fit comfortably into a City environment. Some previous commercial experience would also be advantageous.

Career prospects are excellent within a diverse and soundly based group.

Please reply in confidence with brief career details or telephone D. E. SHRIBMAN.

HUDSON SHRIBMAN
The complete financial selection service
College Hill Chambers, 23 College Hill, London EC4R 2RT. Tel: 01 248 7851/8 (24 hours)

GROUP PLANNING AND SYSTEMS CONTROLLER

London/Home Counties Excellent Neg Package + Car

- Our Client, is a **medium sized but diverse public company** turning over c. £24M., comprising four divisions, with five manufacturing plants. The divisions manufacture and factor a **wide range of engineered products and consumables** marketed and distributed internationally through **overseas companies and agencies.**
- A qualified accountant, aged 30-45, with **indepth management accounting experience** in an international manufacturing environment, and with **associated management information systems and budgetary planning experience**, is now sought to fill a **new position**, reporting to the Group Financial Director.
- Remuneration will be devised to attract the right applicant, **with an additional view to advancement potential.** Relocation expenses will be *negotiated where appropriate.*
- **Candidates, male and female, please write in confidence to David T Bentley, Senior Consultant, Investors in Industry Consultants Limited, 5 Victoria Street, Windsor, Berkshire SL4 1EZ for further details and an application form, quoting Ref. DB/507.**

3i Investors in Industry Consultants Limited
Recruitment Division

ACCOUNTANCY APPOINTMENTS APPEAR EVERY THURSDAY

RATE £34.50 PER SINGLE COLUMN CENTIMETRE

Financial Controller

Our client is a small plc with two major trading subsidiaries well respected for good quality household products and service throughout the UK and overseas.

There is now a need for a Group Financial Controller, a new position reporting to the M.D., whose early priority will be to improve management information systems and cost controls using a recently acquired IBM 36. Other important aspects will include management accounting, treasury, and close liaison with the M.D. on various projects.

Candidates, probably in their 30's, will be qualified accountants with experience of manufacturing industry and DP/systems, and who can show a record of achievement in their careers to date. Salary will be c.£17,500 plus car and other benefits including relocation expenses if necessary to their base in East Anglia.

Please write, in complete confidence to Mike Hann who is advising on this appointment quoting reference 1536.

Odgers MANAGEMENT CONSULTANTS
Odgers and Co Ltd, One Old Bond St, London W1X 3TD

Group Accountant UAE

c.£30,000 + Benefits

Our client, a major group of companies in the United Arab Emirates, has an enviable reputation in the construction and civil engineering industries both in the UAE and other Arab States.

Its success and strength are due in no small part to the flexibility of its management who now seek to augment their team with this new appointment. There will be a short term role of investigating, reporting and recommending improvements to accounting systems throughout the group as well as special ad hoc projects before assuming a Senior Line post in a major subsidiary engaged in a large number of diverse projects.

A qualified Accountant is required, whose essential qualities must include an unusual blend of strength of personality and tact, combined with an above average communicative ability. Extensive experience in the construction and contracting industry is paramount and it is unlikely that anyone under 35 will have the depth of experience and maturity which is necessary for this key post.

Based in Dubai, one of the most attractive overseas stations, the remuneration package and conditions of employment are above average and include furnished accommodation and a car.

Please apply in writing to Mr. I. M. G. O'Hare who is advising on this appointment at: Mann Management, 124 New Bond Street, London W1.

MANN MANAGEMENT

Production Accountant

Our client is one of the UKs most prestigious private group of companies, winning two Queen's Awards for Export Achievement.

They develop, sell and support ARTEMIS products from a network of offices, covering over 30 countries.

A significant part of the company's expansion programme is channelled into a new division, located in Ipswich, manufacturing high technology equipment.

This has created a very exciting role for a qualified Accountant, preferably ACMA, aged around 28, to assume immediate responsibility for installing comprehensive financial management systems and production accounts.

The appointment carries a starting salary of £15,000, free family BUPA, relocation assistance, pension scheme, permanent health insurance, 4 weeks holiday, Sports and Social Club.

If you like the idea of working in Ipswich, with a secure company enhanced by an excellent life style, phone or write to Barclays Executive Appointments, who have been retained to advise on this appointment.

BARCLAYS EXECUTIVE APPOINTMENTS,
1 Pembroke Road, Ruislip, Middlesex HA4 8NQ.
Telephone: Ruislip 72654 (24 hour answer service).

Financial Director

Manufacturing/Distribution c. £20,000
Yorkshire + car

An expanding manufacturer and distributor of internationally branded consumer products seeks an able and experienced accountant for the position of financial director.

The financial director will have full responsibility for all aspects of accounting and financial management for the European companies. One of the key early tasks will be to improve the existing planning and control systems to match the high standards required in this fast growing business. The successful candidate will also have the aptitude and experience to contribute to the future development of the business as a key member of the management team.

The position requires a qualified accountant (ideally chartered and in the age range of 35-50) with first class financial management skills, backed up by energy and drive, and a proven record of achievement in industry or commerce.

If you feel you meet these requirements, please write in confidence, setting out your career and personal details to Ian McBride, Executive Selection Division, Peat, Marwick, Mitchell & Co., Airedale House, Albion Street, Leeds LS1 5TY, quoting Reference No. L/423.

PEAT MARWICK

FINANCE DIRECTOR

A flexible role in a small company

Our clients are well known distributors of high quality weighing machines and associated systems, based in St Albans. In a market requiring increasingly sophisticated products they have a close working liaison with a number of specialist sub contract manufacturers, some of whom are partly owned by the Company, and the group enjoys a significant share of the UK market.

They wish to appoint a Finance Director to the Board with the immediate priority to review and develop the detailed financial management of the Company. Over the longer term the job includes the development of relationships with sub contractors and preparation for public listing.

The key to this appointment is a combination of high professional standards and the flexibility to work closely and constructively with a small team of co-directors in a tough market place. We would like to hear from qualified accountants with industrial/commercial experience, who will thrive in a small, marketing orientated company. The job will interest candidates currently earning up to £18K. Car and normal benefits.

Please write in confidence with CV to Terry Turner.

TERRY TURNER & COMPANY LTD.
Recruitment & Management Consultants
35 DOVER STREET, LONDON W1X 3RA. Tel: 01-491 7800.

ACCOUNTANT Floyd Oil C£14,000

seeks an assistant to the

FINANCE MANAGER

This is a new position, which has arisen because of the increasing diversity of the company's investments. The appointee can expect to be involved in many varied tasks, the most important of which will be the primary responsibility for monitoring UK, US and Canadian production, liaison with operators and the Oil Taxation Office. The successful applicant is likely to be a fully or partly qualified accountant (ACA/ACCA/ACMA) aged about 30, with at least 2 years' experience in a medium-sized oil company. The salary is negotiable, depending upon experience, to £14,000 with free BUPA cover and a contributory pension.

Please send your CV in confidence to:
The Finance Manager, Floyd Oil Participations PLC
6-10 Bruton Street, London W1X 7AG

THE MANAGEMENT PAGE: Marketing

EDITED BY CHRISTOPHER LORENZ

Agencies and clients

In search of Utopia

AGENCY-CLIENT relationships are a delicate matter. Both sides need an understanding of the other's affairs in order to function well. Agencies are required by the very nature of their work to mind about their clients' business. It doesn't always happen the other way around.

Roger Neill, chairman and managing director of *SSC&B:* Lintas Australia—formerly with Saatchis, Chetwynds and Lintas in London—has drawn up a whole host of tips for clients to help smooth the path to happier liaisons and improved advertising. The following is a selection of his do's and don'ts.

1—Tell your agency clearly what you want. Then let them do it.

2—Decide early whether the creative idea you've been offered really fits the bill. Ordinary ideas hardly ever become great ideas. (I was once involved in 76 revisions to one 30-second script for Procter and Gamble. The commercial was terrible.)

3—Make *sure* you know your agency in depth, so that you get the best talent working on your business.

4—Tell your agency clearly when it falls short, and give it a clear opportunity to put things right.

5—Praise the agency when it does a good job. Clients who do this invariably get the *greatest commitment.*

6—Demand a completely new media plan—not just a rewrite of last year's.

7—Make sure the media are fighting for your money, not complacently expecting to get it.

8—Make sure the agency's top management really understands your business and is committed to it.

9—Don't try to write the ads yourself. Writing ads is a highly skilled craft.

10—Don't underrrate the *slogan.* A well crafted slogan can add massively to the memorability of your campaign.

11—Give the agency all the data it needs—sales, research, *even profit and loss.*

12—According to L. R. Coleman of J. Walter Thompson, Australia: "the relationship between client and agency should not be a love feast. Honeymoons do not go on forever."

13—Expect the agency to disagree with you. Worry if it doesn't.

14—Have a formal annual review with the agency boss. Make sure he knows personally what you expect.

15—Use creative research to build ideas, not to wreck them.

16—Make *sure* your advertising works for your brand alone. Far too many ideas are interchangeable between *brands.*

17—Own your own territory.

18—Dare to be different.

19—Link it all together—advertising, PR, point-of-sale, promotions, etc, and try to make the whole greater than the sum of the parts.

20. Tell the truth about your product. Always.

21. Make sure the agency is *making a profit on your* business. Successful, well-managed agencies make profit, just like you.

22. Have junior people along for the experience—not to make important decisions.

23. Give the agency proper time to do the job, but demand a fully thought-out response.

24. Treat the agency as part of your team.

25. Hang in there. Be consistent over time with your campaign. Clients nearly always get bored with their ads before consumers do.

26. There's no such thing as a boring product, only boring advertising.

27. Get a presentation from your agency once a year. See what they're doing for other people, and see what new facilities they have.

28. Be honest about how much money you've got. Don't expect a million dollar production for a hundred bucks.

29. Even when your advertising's working, be developing something that will work even better.

30—Have a formalised approval procedure—for copy, production, quotes, etc.

31—Provide some shelter in times of trouble. Clients that do this are most loved by their agencies.

32—"The advertising budget does not earn its keep because advertisements entertain the public, because they are an art form or because they support the media"—Dr Simon Broadbent, Leo Burnett, London.

33—Encourage your agency to come up with a consistent stream of *initiatives,* new ideas that could have a quantum effect on your business.

34—Jut your print ads up on the *wall,* along *with* your competitors', having cut out the brand names. Can you *really* tell the difference?

35—Ask yourself this question of the poster. Is it worth looking at *twice?*

36—*If* you're looking for a new agency, pick the most likely candidate and make a *visit. Unannounced. See how* they handle the situation.

37—Ask yourself this question of the radio commercial. Does it create "pictures in the mind"?

38—If you're doing corporate advertising, what do you really want to *happen?*

39—Does your advertising have a real *idea,* a lasting *central notion which can be* used and used again?

40—Better still, does your advertising have a *collision* of ideas, a touch of incongruity to increase its memorability?

41—Does your advertising make people *feel* good about the product? If everything else was equal, would they choose your product just because they feel warmest towards it?

42—"Impact: that quality in an advertisement which strikes suddenly against the reader's indifference and enlivens his mind to receive a sales message." Young and Rubicam/U.S. house ad 1930.

43—Avoid half-truths. Half-truths are always the most *transparent to consumers.*

44—If you can find it, surprise consumers with something important they didn't know about your product.

45—Be sure your ads speak *personally* to people. People hear messages in the singular (*a* person receives *a* message).

46—When the agency uses jargon, insist on Plain English. Jargon is often a smokescreen.

47—Don't imagine that eccentricity equates with genius. Genius comes rarely, and has even been known to wear a suit.

48—Set aside at least a clear day to brief your agency on any major new project. Get right away from your office (and the *agency's) to do this.*

49—Steer clear of agencies where the account executive drives a more expensive car than you do.

50—Always remember, the consumer is not a moron, she is David Ogilvy's wife.

Feona McEwan

One of a series of award-winning ads

Scotland's 'other national drink' goes South

IT TASTES like liquid bubble-gum and sells itsef as "Scotland's other national drink." Until recently Irn Bru, a sticky concoction with a colour between pink and orange has remained a largely Scottish *delicacy, outselling, so its* makers say, even Coca Cola in Scotland.

So the English could be forgiven for believing there is only one drink—myth-laden and well matured—from North of the Border. Now, however, the Glasgow-based A. G. Barr company, which also makes the *more nationally known Tizer* soft drink, is spending up to £500,000 on an Irn Bru sales drive in England, making unabashed use of the drink's Scottishness.

A series of commercials developed by the Hedger Mitchell Stark agency for the Scottish market and tested in the North of England and the Midlands encouraged Barr's marketing department to have a go this summer at the prime target, the London area, where the drink has been available to expatriate Scots and visiting football fans.

"*It's been well received by* the trade," says Michael Hayes, marketing manager of Irn Bru's most important hurdle: recognition by the multiples and big retail outlets that the drink is worth having on their shelves.

Irn Bru appears to be part of the wallpaper in the Scottish diet. The schoolboy on his way to school on a cold November day in London may clutch a goosepimple-raising can of Coke but in Scotland he is more likely to carry an orange can of Irn Bru. Irn Bru bottles also seem scientifically designed to fit upside down wedged between the bodywork and the meter in easy reach of the Glasgow taxicab driver.

The drink has long been in the Barr family and the secret of the concoction—a blending of fruity flavours—is only known by the family members who mix the concentrated base liquid every fortnight.

Earlier this century drinks labelled "Iron Brew" proliferated, their iron content emphasising strength and prowess. About 100 brands were on the market at one point. But improved transport and distribution networks decimated many of the local soft drink producers all over Britain. Of 2,500 at the end of the Second World War, only around 400 survive.

The years after the war were not only hard on companies but also tastes. Try today to order a bottle of "Zono," or "Wee MacGregor Brew," or "Hot Tom Bitter," "Dandilion Stout" and "Potash Water."

The descriptions of foodstuffs act, proposed but not followed through by Government in 1946, nearly toppled the industry into its own credibility gap. For Ginger Ale was not an ale, American Cream Soda was not American and contained no cream and Iron Brew was not brewed.

The Barr family, fearing for the future of their own Iron Brew, took a bold step and changed over to the phonetic spelling "Irn Bru." But the iron content — approximately 0.125 millilitres per fluid ounce —has remained a strong selling point. The slogan known best by its consumers is that Irn Bru is "made in Scotland from girders."

Mark Meredith

Suitors line up to woo the mature woman

THE MATURE woman never *had it so good. British retailers* are finally homing in on a market which they have neglected for years—apparel for the woman aged between 25 and 40.

In the last two weeks, both the Burton Group and Habitat-Mothercare have launched the first stores in their nationwide chains aimed at the £1.5bn market for women's clothing. The new chains are Richards, a £5m re-launch of the old Richard Shops chain, and Principles, an entirely new chain of stores which this year will set Burton back by around £4m.

The descriptions of the two new chains sound remarkably similar. "Quality and imaginative design" along with "real value for money" is part of Richards' pitch, while Burton executives describe Principles as offering "sophistication at very good value."

Those familiar with the retailing scene will recognise both those descriptions as remarkably apt for Hepworth's successful chain of women's shops, Next, which opened in 1982.

"I think we are going to see a bit of a tussle in this market," says John Stevenson, group design and marketing manager for Habitat-Mothercare this week.

Mike Wood, finance director at Burton, is more sanguine. "The market is enormous. I *don't think it will be oversub*scribed." Burton will be opening 30 new stores this year, with the eventual goal of about 200 stores nationwide.

"Tussle, yes," says Geoffrey Carr, retailing analyst for Scrimgeour-Kemp Gee, the London stockbrokers. "But when god companies compete in the same field, they can all do well by expanding the field. There will be a lot of business to take away from less well-run independent stores."

The game plans for Principles and Richards, in fact, do call for a different approach to selling women's merchandise, one that smaller retailers may not be able to meet. Both companies are reaching for style and comfort in their stores at the sort of competitive prices which they can only offer through high-volume buying.

The Richards face-lift has called for the wholesale junking of carpets, fittings and lighting in the large shops. The first shop in London to be refitted has cream-coloured walls, apricot carpet and ash fittings, with lattice screens hiding the ceiling lights. But the emphasis has been on space.

"Women don't like to shop while jammed up against each other. Our new design is intended to let the merchandise breathe," says Stevenson. In comparison with Next, which are around 1,000 sq ft each, the *Richard and Principles shops* will be offering everything from shoes to hats in stores two to three times that size.

In a recent interview with a London fashion writer, Ralph Halpern, head of the Burton Group, said that Principles is aiming at "an experienced shopper. She is not into fringe, instant fashion. She wants clothes which reflect confidence and she wants convenience and excitement when she is shopping. It should be a pleasure."

To this end, the spacious new shops will offer fresh coffee as well as natural beauty products and inessentials like dried flowers. Stevenson makes the same points about the new Richards. "Next is about co-ordinated clothes. That is their only story. It is the same at Benetton. We will have many stories, we can give party dresses, hats, perfumes, everything. It will be an exciting place to shop."

When Habitat bought Richard Shops last year, following an unsuccessful management buy-out attempt, the group's sales were around £40m. The new stores, Habitat hopes, will return the chain to growth with sales of around £65m expected within the next few years.

Stevenson says Richard Shops has been underperforming Dorothy Perkins, another women's wear chain owned by Burton. But he hopes that the fashions at the new, improved shops will be as much of a pull as the atmosphere. For the first time, the chain has its own fashion buying team, and fashion design team. The group is also concentrating on better manufacturers and cutting out last-minute fringe ordering.

Richards: "fashions to have as much of a pull as the atmosphere"

Together, the two groups are surely eyeing the performance of the Next shops which in the first six months of Hepworth's financial year were the major factor behind a 36 per cent increase in sales. But Burton and Habitat are not the only ones to observe the Next phenomenon. The GUS group is also expanding a new chain called Visuals, with an eye toward the better-salaried woman.

Demographics are behind this retailing shift—more British women are working than ever before and those that are working do not want to dress in short skirts and seductive T-shirts. But is there enough of a market for nearly every major British retailer?

While the answer to that question is being sorted out, Britain's mature woman will assuredly be the winner.

Carla Rapoport

THE ARTS

Record Review

Theatre music for the Sun King

Ronald Crichton reviews recent recordings of the first Charpentier and Rameau

No longer is it necessary, when writing about Marc-Antoine Charpentier, to explain that he wasn't the composer of *Louise*. Gustave Charpentier has been eclipsed by his predecessor of two centuries earlier. Marc-Antoine's work list in New Grove takes up ten wide columns, Gustave's less than one. The earlier Charpentier *is now establishing* himself in the gramophone catalogues, the concert hall and finally the opera house. Beside his voluminous output of religious music he wrote a good deal for the theatre even before the death in 1687 of the arch-monopoliser Lully.

Much of his theatre music is of the kind unflatteringly called "incidental" (for Moliere's *Le Malade imaginaire,* for example) but he made important contributions to the development of French opera between Lully and Rameau. The biblical opera *David et Jonathas* was staged not long ago at Lyon. The some city announces the composer's most important opera, *Médée*, for the opening of their forthcoming season.

With perfect timing, Harmonia Mundi France produce a complete recording of *Médée* (three *records in album, HMC* 1139.41) by William Christie's group, "Les Arts florissants," acclaimed for an earlier record of the same composer's short "hunting opera". *Actéon* and which they performed at this year's Proms.

Médée is a full-length, five-act "tragédie lyrique" with words by the younger (Thomas) Corneille, about the uncomfortable sorceress who became the heroine of Cherubini's opera of the same name. *Médée* forms an excellent introduction for those who may still feel shy of what until recently had come to seem an alarmingly remote art-form.

Charpentier, less pioneer than consolidator, is smoother than Lully and less genially eccentric than Rameau. He moves the drama along swiftly, with a *typical French gift* for setting dialogue (Thomas Corneille's text is neither inspired nor stupid) with a way of giving successive speeches in recitative their own consistent and sometimes contrasted character, distinct from Rameau's slipping in and out of brief bursts of lyrical arioso.

The spectacular dance-and-song scenes which form a climax, not necessarily at the end, of most acts may perhaps be regarded as a visual equivalent to the big solo-and-chorus ensembles developed by Italian composers in the 19th century. They are intelligently varied, comprising dances almost as fancifully scored as Rameau's, and vigorous, at times highly dissonant choruses.

This Médée is a company performance, not a star assembly (few of today's big opera stars would be at home with this delicate, pointed, ornamented writing with its lights and shadows and stabbing appoggiaturas. Good ensemble brings the usual rewards, yet there are *moments when one could do* (modern ears being coarsened by generations of Wagnerian and veristic brawling) with stronger dramatic outlining. Gilles Ragon's Jason sounds at first implausibly teeny for the Golden Fleece hero, but he gains confidence (and, I suspect, the recording level is gradually adjusted). Similarly the Medea of Jill Feldman makes a small-scale impression until she gathers strength for the horrifying utterances later on and reveals a range of subtle colour beyond the reach of larger voice. Apart from that suspicion of inconsistent levels *the recording is good. The work* is well worth getting to know.

Actéon is a one-acter on two sides (HM 1095), an "opera de Chasse" or pastoral about the hunter Acteon who spied on *the Goddess Diana at her sylvan* toilet, was changed into a stag for his impudence and torn to pieces by his own hounds. The music is apt and expressive. English listeners may be reminded here and there of Purcell. Common origins are more likely than direct influence. Acteon is a counter-tenor, Dominique Visse, convincing once one accepts the light timbre for such a role, adroit in the quick-changing moods of his big scene.

Diana is sung by Agnes Mellon. One should beware of trying to draw an unbroken line through the history of French opera, but constants do persist. Charpentier's ability to get proportions *right on a miniature* scale recalls Massenet's tour-de-force in his one-act *La Navarraise*. The spring-like astringency of *Actéon* reminds one of Poulenc's *Aubade*, which Balanchine set, memorably, as a ballet on the subject of Diana and Acteon.

So to Rameau. *Zoroastre* was the fourth of his five tragédies lyriques. The premiere (Paris, 1749) was an event and a talking-point but not an unqualified success. Rameau and his librettist Cahusac recast the work. Since the complete material for the first version has not survived, one can't regret the time spent on revision. The second (1756) version receives here a most expert performance by La Petite Bande under Sigiswald Kuijken, made in collaboration with West German Radio, Cologne (four-record album, IC 157 1999813).

Some of the soloists are common both to this and to Christie's Charpentier recordings. *There is still a suspicion* of slightly different sound levels, but the admirably clear German Harmonia Mundi recording gives the performance just that much more presence and dramatic edge.

That impression may depend on the relative quality of the operas. Charpentier was a very good composer. Rameau, even at his oddest, was a great one. *Zoroastre* has not, I believe, been given complete in England, though the English Bach Festival did substantial excerpts in 1979. The plot is a farrago about a battle between the forces of Good (represented by Zoroaster or Zarathustra) and Evil in ancient Bactria. Zoroastre loves the princess Amélite: their happiness is envied and resented by another princess, Erinice, who sides with the evil magician Abramane. The private and public strands in the drama are not successfully balanced.

This need not worry the gramophone listener, enchanted by Rameau's rampant inventiveness. Instead of the then customary prologue he writes a concise, vivid overture. The vocal writing is constantly varied, declamation melting into arioso or duet and into some *(by this composer's normally* compressed standards) arise developed at considerable length. Tone-painting is at once daring and delicate, for example, in the long sunrise sequence of Act 3. The extreme ranges are explored, from ethereal flutes down to evil grunts in the bass instruments. As for the dances, the earlier remark that those in *Médée* are "almost as fancifully scored as Rameau's" needs qualification. Nobody except Chaikovsky and Stravinsky has shown as much imagination in this field as Rameau.

Kuijken's three sopranos are exceptionally well matched to *this music. In Amélite's final,* bravura—pastoral air "L'amour vole au son des hautbois" Greta de Reyghere shows that this side of Rameau can be done without the hardening that afflicts many French sopranos in their top register. The effect is ravishing. As Erinice (Rameau was good at angry ladies) Mieke van der Sluis makes the big leaps in the writing sure and expressive. Agnès Mellon is limpid in the music for *Céphie*. In the *title-role* John Elwes is both gentle and authoratitive.

Even if the difficulty for modern listeners in reconciling French high tenor or counter-tennor timbre to heroic roles is not fully overcome, what a way we have come since the early days of the Rameau revival, ten or 15 years ago.

The Provencal André Campra was born halfway between Charpentier and Rameau. Like Charpentier, he was a church composer (*Notre* Dame in Paris and the Chapel Royal at Versailles) who also wrote for the stage. His *Messe des Morts* (Requiem) of uncertain date comes in a brilliant recording for Erato (*two sides, STU* 71310) by John Eliot Gardiner with the Monteverdi Choir and English Baroque Soloists. Gardiner is a more assertive director of period instruments than either Christie or Kuijken. His style suits this beguiling work, revealing a simpler musical personality than Charpentier or Rameau, uniting mellow grandeur with alluring sweetness, falling as agreeably on the ear as Cavalli.

The duetting sopranos in "Sanctus" are more graceful than profound, but in the "Agnus" one is in sight of the *moving restraint of the Fauré* Requiem. The soloists are Judith Nelson, Dinah Harris, Jean-Claude Orliac, Wynford Evans (both tenors, who aren't required to be heroic, are notably good) and Stephen Roberts. Splendid sound.

Citibank sponsors Academy concerts

Citibank is to sponsor a series of concerts by the Academy of St Martin-in-the-Fields in London during 1984-85. The sponsorship, worth £60,000 over two years, will enable the chamber orchestra to present more adventurous programmes.

Mara Zampieri and Donald McIntyre

Tosca/Covent Garden

Max Loppert

After *Turandot*, the Royal Opera continues the new season with *Tosca*—not, however, a spanking new Puccini production sharply drilled but Zeffirelli's 20-year old staging, rehearsed to respectability, no more, by Ande Anderson. (And rather less on Tuesday in the matter of the lighting: errant spotlights flickered around faces while in the last act stripes and shadows blotted the Roman dawn sky.) Yet the performance was raised above mere routine, despite such elements as would appear to drag it downwards, by the masterly conducting of Charles Mackerras and by Mara Zampieri's eloquent sensitive, wholly individual account of the title role.

Four *Toscas* comprise Sir Charles' entire Royal Opera duties for the current season (for the final two of the revival John Barker takes over). A *rather paltry recognition*, one might think, of the merits of one of the world's leading opera conductors; yet the performance itself makes it seem not so. The opening chord sequence was weighted with a care and precision that carried tremendous dramatic impetus; the blanched woodwind figure weaving round Scarpia's corpse summed up the whole act; the *divisi* cello fantasy preceding Cavaradossi's third-act reverie was poised, and truly tuned (by no means always the case).

These were just three moments—and there were many others—in which the presence could be sharply sensed of a conductor in the pit determined to make more of *Tosca* than just a garish, lowest-common-denominator success. It was that also, as it must be; but it was in addition a tenderly *felt love story, albeit an* interrupted one; the duets of first and third acts were placed as lyrical oases in which the singers were given space to "breathe" their lines, to caress and shape their responses to each others' phrases (an approach particularly effective in the second of the two). Sir Charles is a Puccinian to aid one in appreciating Puccini's genius, however narrow and limited, all over again.

Miss Zampieri made her house debut in the same role last June; returning in far surer command of it, she shows us facets left unrevealed by even the most distinguished of recent London incumbents. She is the first Italian Tosca here since . . . is it Gabriella Tucci? This means a vivid native purchase on the words (with wonderful inflections on such throwaway phrases as "nuvole leggeri"). It also means a quite specific "tone" to the vocal and dramatic presentation of the character, at once authentic and all of a piece. The wide-eyed, strong-featured, *slender - proportioned* appearance expresses itself in impulsive vulnerability of movement —and none of it seems premeditated, not even a floor-level start to "Vissi d'arte." The tone cannot soar, and doesn't always strike the ear with rounded grace; but its use is fresh, truthful, accurate, and naturally considered.

Giacomo Aragall, once again *her Cavaradossi, may lack hot*, revolutionary ardour; but elegance of movement and an uninflated lyricism of line work touchingly in his favour. New to the house is Donald McIntyre's Scarpia—powerful in general outline, roughly voiced and heavily uttered, and blank at just those telling moments of fine detail that proclaim the natural-born Scarpia. Apart from a sadly botched Sacristan, the smaller roles are all well taken—John Dobson's Spoleta counts, indeed, as a minor masterpiece of *comprimario* acting.

American Theatre/Frank Lipsius

Trevor Griffiths in Cleveland

Besides its ambitious fare of revivals, the summer-long Williamstown Theatre Festival has in recent years commissioned *new plays* and given rehearsal-style readings to works it discovers during its winter hibernation. The commissioned play this year is Trevor Griffiths' *Real Dreams*, which transports the writer's political concerns from Britain to America in the story of late-1960s radicalism in a Cleveland commune.

Based on an unpublished story by Jeremy Pikser, *Real Dreams watches the commune's* ideal of collective decision-making bow before the demand for action by a Spanish group with the acronym Spic. In a new twist to the age-old struggle of the intellectuals and workers in radical left-wing politics, the group at first agrees to accede to Spic's demand that they "off the A&P" (burn the supermarket) but after deciding themselves on the best timing. When the Spic representative, who appears periodically drunk and barely comprehensible, demands the group commit the arson immediately or face *the wrath of Spic, the* commune leader organises the action. The first act ends ambiguously with the action aborted because the group is discovered siphoning petrol from a car to make Molotov cocktails though the stage *is* enveloped in flames, in Christina Giannelli's clever lighting.

In the second act, the commune await retribution from Spic for the failure of the mission, which they blame on one of the commune for tipping off the fire department, called "fire pigs." With rifles in hand, they bare their sentimental expectations of the alliance of students and workers, a lost dream that seems credible to no one but the wide-eyed group itself. The play jerks from one event to the next, strewing ambiguities *and unresolved plot lines, starting* with the collective ideal that is so easily relinquished.

As playwright, Griffiths imposes European sensibilities on the American peace movement, which did not eschew coercion, as when solicitations to burn draft cards were limited to doing it in a huge group, only to demand young people do it alone once the mass effort failed. But the self-flagellation of a group willing to do whatever a Spanish group told them to rings false, even if Jeremy Pikser based his original story on fact.

As director, Griffiths, collaborating with Kay *Matschullat* of the festival staff, goes for the big effect which works well in showing flames but turns unrealistic in the second act. Staying in the dark to avoid being shot, they light their lamps for their sentimental soliloquies, as though their thoughts will protect them. The ensemble, led by Robin Bartlett, Kevin Spacey and Scott Burkholder, bring out the best of 1960s camaraderie, especially in the opening scene of a rained-out July 4th picnic before Ramon (Jose Santana) sets the plot going by arriving with the Spic demand.

The 30-year-old festival has long specialised in revivals as it gradually moved toward professionalising its casts under founder and artistic director, *Nikos Psacharopoulos. The* headliners for the production of Tennessee Williams' *Vieux Carre* are Marsha Mason and James Naughton, who also participated in the reading of *The Spirit Of It All*, a new play by the author of *The Boys in the Band*, Mart Crowley. Though not a success on Broadway when produced there seven years ago, *Vieux Carre* has seen its weaknesses turned into strengths as the playwright's death gives barely disguised autobiography poignancy despite the staged sentimentality.

Set in a New Orleans boarding house in the late 1930s, the *play has a narrator like The Glass Menagerie*, an overbearing brute like *Streetcar Named Desire* and hovering illness like *Cat on a Hot Tin Roof*. All are watched closely by the young narrator, named only the Writer, as a horrid old landlady makes a misery of life in 722 Toulouse Street, where Williams himself lived while working *on Streetcar*. Designer Kevin Rupnik and light designer Roger Meeker interpret the fetid poverty as dark claustrophobia.

Marsha Mason and James Naughton play the mismatched pair of lovers, a northern college-graduate escaping her barely disguised, progressive illness and the brute who acts as a barker at a Bourbon Street sex show. Director Austin Pendleton has assembled an outstanding supporting cast including Richard Thomas as the Writer, George Morfogen as an *ageing homosexual painfully* dying of consumption, and Barbara Orson as the old crone landlady. Nyra Taylor as the *black serving woman* and Katherine Squire and Marty Fogarty as two old ladies too *proud to admit they are dying* of malnutrition round out the pathetic scene of losers, whom *the Writer captures* quickly on paper before escaping with a young vagrant to California.

Kevin Spacey and Robin Bartlett in "Real Dreams"

Shumsky's Elgar/Barbican Hall

Andrew Clements

Oscar Shumsky's return to the concert halls of Europe has been one of the brightest musical events of the past few years; there are relatively few violinists of his stature still at the height of their powers. Because he is a seasoned campaigner, he has emerged not just with the handful of showpieces of an *arriviste*, but with a wide repertory covering the full spectrum of his instrument; and no doubt one would expect an artist who received early encouragement from Fritz *Kreisler* to include the Elgar concerto among it.

It is always revealing to hear any Elgar work interpreted by someone who stands apart from the English Tradition—be they conductor or soloist. Shumsky treats the work as a late flowering of the 19th-century symphonic concerto (which of course it is) and has little time for the *nobilmente* aspects; the first movement indeed found little space to breathe, and a fast vibrato kept even the second subject on the move.

Much more on the credit side was the immaculate chording, never hurried or uneven, the singing tone which prevailed through the most brilliant passage work—remarkable *leggiero playing in the finale!—and the* range of colour and inflection he brought to the solo line. There was rich, firm support from the London Symphony Orchestra under Richard *Hickox; good* to hear that orchestra back to something near its proper form.

No, No, Nanette/Theatre Royal, Brighton

Antony Thorncroft

A twinge of disappointment shot through the Theatre Royal Brigton when it was announced that *illness had forced* Noele Gordon to withdraw from this touring version of *No, No, Nanette*. Stepping into the breach, at the shortest of notice, was Moira Lister.

Whether it was this unsettling experience which sapped the vitality from Roger Redfarn's production I do not know but in *the first act in particular only* Terry Parsons lush and lovely 'twenties sets and costumes *seemed to hold the enterprise* together. There is nothing in the book by Harbech and Mandel to *justify* this revival; the singing was variable in the extreme; and the band settled for brashness.

Miss Lister held up well, only falling below standard with her singing. Since some of the other leading roles were taken by weak singers the enduring quality of *No, No, Nanette*, songs like "Tea for Two" and "I want to be happy," was *watered down*. Only *Josephine* Blake commanded the stage, although Michael Remick and Julie-Anne Blythen as the young lovers had their moments.

The plot is too ridiculous to be commented upon but there are enough set pieces for a company full of bazzazz to *achieve lift-off*. But most of the cast seemed happy to hide behind the exotic costumes. When Jack Tripp allowed himself the old pantomime dame's privilege of doing his own bit of business the tempo noticeably quickened, but Jimmy Thompson has had more rewarding roles than that of the family friend whose best efforts lead to chaos.

This production began life at the Theatre Royal Plymouth and is touring the country. It is always interesting to see these famous musicals and as a spectacle *No, No, Nanette* is worth catching eye-strain for. But just taking a famous musical from the shelf and dusting it down is not enough, even with beautiful packaging. There needs to be more commitment and imagination.

Arts Guide

Music/Monday. Opera and Ballet/Tuesday. Theatre/Wednesday. Exhibitions/Thursday. A selective guide to all the Arts appears each Friday.

Sept 14–20

Exhibitions

TOKYO

Jean-Francois Millet: The Boston Museum of Fine Arts whose collection of Millet exceeds that of the Louvre ends 65 works by the French pre-Impressionist (1814-1875) known for his scenes of peasants and landscapes. The highlight of this exhibition is a photo panel of his earlier Captivity of the Jews in Babylon discovered by X-ray under his later Young Shepherdess. Takashimaya Department Store, Nihonbashi. Ends Sept 30.

Chinese Ceramics, (Nezu Museum): Masterpieces from the Sung (960-1126) and Ming (1368-1644) dynasties. This museum, with its Japanese garden and tea-houses, is an oasis in Tokyo concrete. Ends Sept 30.

NEW YORK

Museum of Modern Art: After being virtually closed for three years of renovation, the museum has a chance to show the depth and breadth of its considerable collection. No longer is it a boutique of the modern classics but more like a department store, with double its previous exhibition space and room for such examples of modern design as a whole helicopter.

PARIS

Marmottan's Monets: For lovers of impressionism, the Musée Marmottan is a must. A charming town house set in greenery, it houses an important collection of paintings and drawings by Claude Monet and his friends, including the famous oil, Impression-Sunrise, which gave its name to the whole movement. Monet's love of London is represented by the Houses of Parliament. In the *last 20 years of Monet's life his* garden in Giverny became his great inspiration. In glowing colours and changing light he painted its Japanese bridge and weeping willows and, above all, time and again the unforgettable Nympheas – waterlilies on still green waters. Musée Marmottan, 2 Rue Louis-Boilly, 16th Arrondissement. Closed Mon. (224 0702).

De Kooning – to celebrate the 80th birthday of the pioneer of abstract expressionism. Beaubourg presents a retrospective of 80 paintings, 100 drawings and seven sculptures, showing the astonishing facility with which the Rotterdam-born artist changed styles during his long America-based career from lovely portraits, *to nudes, and to abstracts*. Centre George Pompidou, closed Tue. Ends Sept 24 (277 1233).

WEST GERMANY

Berlin, Bauhaus-Archiv, 14 Klin*gelhöfer Strasse*: The second part of an exhibition series dedicated to Wassily Kandinsky. This sequence has works from the painter's Russian and Bauhaus years between 1915 and 1933. It also contains pictures by some of Kandinsky's contemporaries. Ends Sept 23.

Munich, Haus der Kunst, 1 Prinzregentenstrasse: Kunstsalon '84 reviews the German artistic scene of the last three years through 240 paintings, graphics and sculptures by 146 artists living in the Federal Republic. Ends Sept 30.

Heidelberg, Heidelberger Schloss, Ottheinrichsbau: About 80 paintings by 13 young French painters such as Alberola, Blais, Combas, Di Rosa, *Favier and Gauthier. Ends Sept 30.*

ITALY

Venice Biennale: The Venice Biennale is up and running for the summer in the Giardini di Castello and at various places around La Serenissima, the usual melange of the fascinating, the excellent and the frightful from what the present has to offer across the entire range of contemporary art, with the spectacular bonus at the Palazzo Grassi of the most comprehensive examination one could wish for of the work of all kinds that came out of the Vienna Secession. Out of the chaos in the gardens come the large central exhibitions: Arte, Ambiente, Scena; and *Arte allo Specchio; two sprawling* but more coherent shows than usual that focus especially upon current preoccupations with art historical and mythological reference. Younger blood is consigned to Aperto 84 that fills the old Salt Warehouses on the Zattere. And there are, of course, the national pavilions scattered through the gardens, with their particular offerings: Howard Hodgkin for Great Britain, Penck and Baumgarten for West Germany, Clave for Spain and Dubuffet for France outstanding. Ends Sept 30.

Florence: Palazzo Vecchio: The Horses of Leonardo: 50 studies of horses and other animals, chosen from the 92 relating to this subject from the Queen's *Collection* in the *Royal Library* at Windsor. These drawings form only part of Leonardo's output, which covers every aspect of human activity, of nature, and of science. Like many of the Italian humanists *he considered* the horse a subject of attention second only to man. The exhibition includes ten of Leonardo's studies for The Battle of Anghiari, with their terrific force and vitality. Many preparatory sketches for mostly-unrealised projects and ends with his *allegorical drawings* of dragons, elephants and cats. Ends Sept 30.

VIENNA

Treasures of Dusseldorf Art Museum: A cross-section of German artistic *development throughout* the nineteenth century. Prussian castles to a louche but inviting beer-hall and many scenes from everyday life. Calm and prosperous family groups hang amid other portraits and landscapes that are majestic, moving or even witty. Kunstlerhaus, Vienna. Ends Sept. 30.

BRUSSELS

The Age of Stonehenge presented by the British Council in collaboration with the British Museum and the City of Tournai. Covering the Late Neolithic and Early Bronze Age (3000-1500BC) the exhibition includes the mold gold cape, the Folkton decorated chalk drums, gold from early bronze age Wessex and the Rillaton gold cup loaned by Britain's Queen. Comparative material has also been loaned by France, Germany, the Netherlands and Switzerland. Grande Place, Tournai, ends Oct 16. (169/22 20 45).

Galerie d'Egmont. *Paintings by Pagarusha*, ends Oct 3.

FINANCIAL TIMES
BRACKEN HOUSE, CANNON STREET, LONDON EC4P 4BY
Telegrams: Finantimo, London PS4. Telex: 8954871
Telephone: 01-248 8000

Thursday September 20 1984

The threat to world trade

PILGRIMS joining the annual procession at Echternach in the Grand Duchy of Luxembourg proceed in a strange way: for each two steps forward, they take one back. But they do eventually reach their shrine.

The world's procession towards free trade, begun so hopefully in the 1950s and 1960s, has slowed down into something eevn more laborious than the Echternacht procession. By now it looks as though each step forward is matched by one in reverse. The shrine looks as distant as ever. The Tokyo Round of tariff cutting at the Gatt was a big step forward. It promises to bring tariff levels down to their lowest post-war levels. But there is no less important a step back: the ever closer network of orderly marketing agreements and voluntary export restrictions imposed outside the aGtt.

The pattern is repeated in President Reagan's rejection of a recommendation of the U.S. International Trade Commission that additional quotas and higher tariffs should be imposed upon imports of steel to assist an already well protected domestic steel industry. Sor far so good.

But simultaneously the President decided to reaffirm existing so-called voluntary restraint agreements with countries exporting steel to the U.S. and to negotiate additional ones with countries not yet subjected to such controls. More than that, the Administration intends to support legislation making these voluntary agreements enforceable at the U.S. border, giving them greater standing than they already have.

Discrimination

When they were initially devised, voluntary restraint agreements were justified on the grounds that, being voluntary, they would allow the Gatt principle of non-discrimination to survive in principle. An occasional lapse from grace, as it were, need not spell eternal damnation. That argument has become extremely difficult to sustain.

Not only the U.S. but the European Community, in one way or another discriminates against steel imports by means that are difficult to reconcile at least with the spirits of Gatt. World textile trade is governed by the Multi-Fibre Agreement. Europe and North America have negotiated self-restraint agreements with the Japanese motor industry. Japan, too, has its non-tariff barriers, though they may be hard to define precisely, and the Nakasone Government *has undertaken to do something* about them.

World trade is by now substantially distorted by these and similar restrictions with the inevitable effect upon efficiency. Guesses have been made that non-tariff barriers affect close to half of world trade. The precise proportion is almost impossible to estimate since available statistics measure actual trade flows—not those that might have been if the hurdles were not there.

Two points should, however, be borne in mind. Under the effect of recession and structural crises in many manufacturng countries the obstacles to trade have multiplied of late; and, second, few if any countries—and above all not the developed ones—have avoided taing that route.

The distortions caused by the Common Agricultural Policy of the European Community hardly need mentioning. Not only has that policy all but closed traditional European markets to low-cost overseas producers; it has also hurt them in other markets where the EEC has dumped its farm surpluses.

Steel imports

Such secondary effects are common and often are not intended by the countries that resort to restrictions. Voluntary export restraint on the part of Japan, for insance, as the most efficient producer of an article of trade, may well not benefit the home industry on whose behalf it is negotiated. Japanese restraint may merely create a clear field for imports from elsewhere.

The net result will be that the home industry is not protected —and that imports, instead of coming from the most efficient and, *presumably*, cheapest source, will come in from the second most efficient. That pattern can be detected behind the announcement from Washington on Tuesday about steel imports. Existing voluntary restraint agreements are not enough: new ones have to be negotiated.

This piecemeal progress towards protectionism is, thus, self-accelerating. It needs to be arrested in the interests of clearing obstacles to efficiency and, hence, to growth. It needs to be arrested, too, if Third World debtor countries are to be allowed to earn their keep, and to service their debts. Soon one step forward may soon be matched by two steps back.

What comes after the GLC?

THE ELECTORATE in four of Greater London's 92 local constituencies has a chance to wander along to the polls today in the latest episode of Mr Ken Livingstone's controversial but effective publicity campaign against the Government's proposals to abolish the Greater London Council in 1986.

There is nothing particularly surprising about publicity stunts in politics but it does mean that whatever the results of calling four by-elections to "give Londoner's a voice" they must not be accorded too much significance. Today's diversion has nothing to do with the key problem: how is the capital to be governed?

Impotent

For a century or more London has had capital-wide local government. It has been reformed several times, always for overtly political reasons. In the early 1960s the Conservatives enlarged the London County Council area, which they had found unwinnable, to take in the "bluer" outer London suburbs. This produced the GLC, control of which has oscillated between Labour and the Tories. But it never had powers to match its purpose. Although it was established at the height of the fashion for grandiose development and strategic structural plans, it fell between two stools from the beginning. Both Parliament and the 36 boroughs retained to many powers, leaving the GLC impotent.

Thus enormous amounts of time and money have been spent by Tory and Labour admiinstrations to little good effect, although the present Labour administration has made a successful attempt to revitalise urban transport. On balance, however, the judgment that the GLC comprises neither the right structure nor the right mix of powers and responsibilities to govern London effectively seems to be sound.

The Government's solution, seemingly based more in party political advantage than in studied improvement of the capital's administration, is unsound. This is because no fundamental reform is to occur. The councillors are to be abolished but not their functions. Some minor functions will pass to the boroughs but other subjects such as planning will have to be administered by quangos. And major services such as fire and refuse collection are to be run by joint boards and joint commitees of borough councillors.

The new bodies thus crated will be empowered to extract funds from ratepayers for their services, but 80 per cent of their costs will no longer be subject to direct approval or disapproval through the ballot box.

Such a diminution in accountability, stemming from a Government committed to strengthening the links between local expenditure and taxation, underlines the extent to which the end has come before the means.

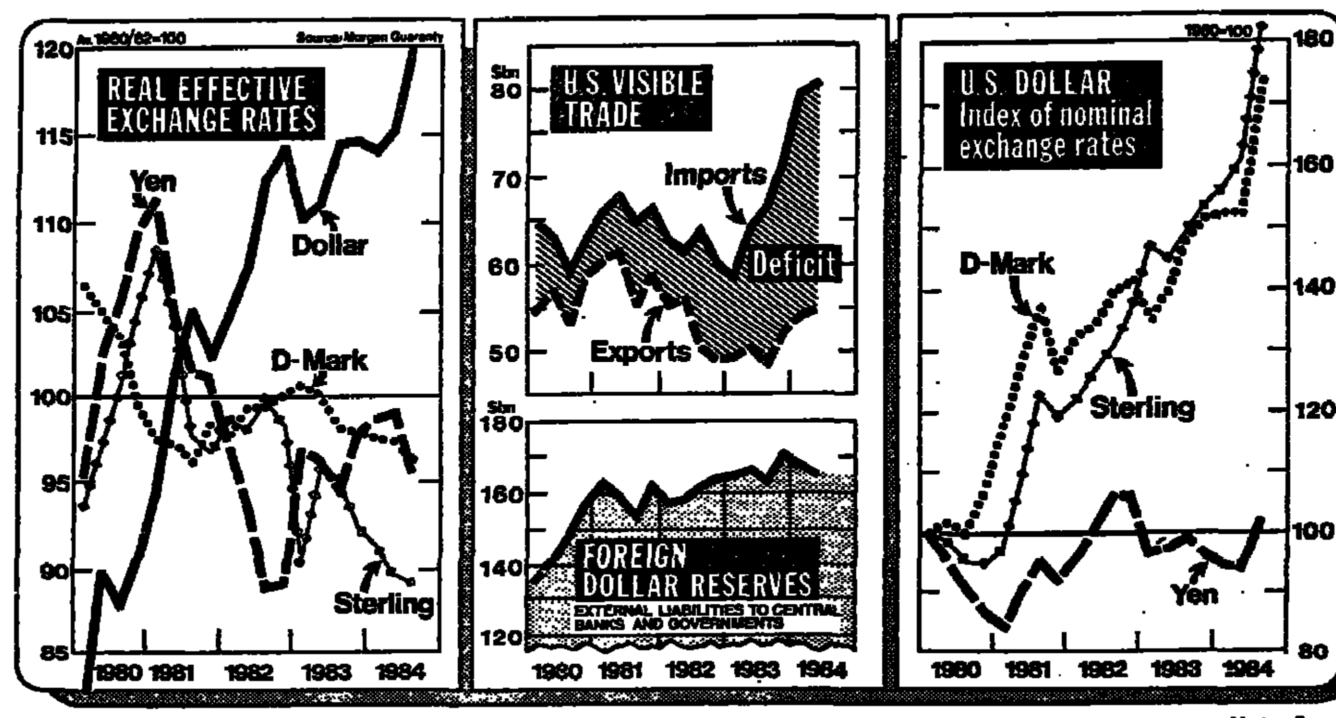
The principle of unitary local government where it can be created without loss of efficiency or accountability is a desirable general objective. But London is different. It is both a collection of villages and small towns strung together by in-fill development and traffic jams *and* a cohesive capital city of international importance. The boroughs cater for the first; a city-wise authority—directly elected, with independent taxation revenues and powers to match its functions and status—is required for the second.

Education

The plans for education suggest a possible approache. In inner London, where most boroughs are too small to become independent education authorities, this service is to remain with a directly elected Inner London Education Authority with full rating powers. The outer London boroughs are effective and coherent units of accountable local government, each also providing its own education service. So a new capital body could be confined to the inner area where economies of ceale and a community of interest exist over highways, planning, refuse disposal, fire, the arts, and, to a certain extent, tourism and related industries. The need to facilitate job mobility suggests that a strategic functions on housing might also be helpful.

"EVERYONE knows that the dollar is overvalued. My book tells me it is going up."—London exchange dealer, quoted in 1983.

"The turning point may be hours, weeks, months or years ahead. Macroeconomics does not give the answer to any of the questions politicians and businessmen ask of it"—Samuel Brittan, Geneva, September 9, 1984.



Martyn Barnes

The dollar: why the experts are baffled

By Anthony Harris

The incredible rise of the dollar—incredible, that is, to those who suppose that excessive credit expansion and large foreign deficits will rapidly weaken a currency, as French and British experience suggests—has been sustained for more than two years now; yet economists have yet to come up with any really satisfactory explanation of it. This does not mean that there are no explanations—there are almost as many as there are international economists. However, none of them are robust enough to generate even roughly reliable forecasts of what will happen next.

This unpredictability should not surprise anyone who is engaged in any form of financial investment. Stock market prices can swing through large peaks and troughs in a way which has no relation at all to the actual supply of new stock to the market. During a swing in either direction, market sentiment tends to feed on itself, so that markets overshoot and then return towards some trend line.

These divergencies from trend are not only wholly unrelated to the supply of stock—indeed, if companies reacted quickly enough, and flooded the market with new issues when prices were attractive, the swing would be much less—but they are also largely unrelated to the "fundamentals"—the expected developments of the economy and of earnings. Economists in the stock market try to detect what these fundamentals mean for the underlying trends— but it is left to "technical" analysis — chartism, to the sceptics — to guess at market psychology and coming turning-points.

The currency market has become more and more like a turbulent stoc market since exchange rates were floated in 1971. As markets have become more "efficient," they have become more and more speculative.

Volatility is not all that the markets have in common. The currency markets have become less and less concerned with trading demand for currencies, just as stock markets are less and less concerned with industry's need for new capital.

The central banks, which could fulfil the role of new *issuers* in meeting a boom in demand, have been more and more reluctant to intervene at all. There is now virtually no net trade across the exchanges, for all the talk of massive capital movements." For every private buyer there is a private seller.

Things were not always like this. For a long time after 1971 central banks had quite strong views, based on the economic fundamentals, of where exchange rates "ought" to be, and were prepared to back their opinion with heavy money. This intervention reached a climax during the regime of President Carter, when the U.S. had a weak current account and *low* interest rates, and the dollar was always trying to fall.

The Europeans, forced to over-print their own currencies in order to buy up unwanted dollars, protested in concert, since they feared that their own monetary policy would be undermined. Britain stopped buying reserves and "uncapped" the exchange rate in October 1977. Within two years Mr Paul Volcker was in control at the Fed and President Reagan in the hWite House, and intervention has been out *of fashion ever since.*

This change has ushered in not only the golden age of the dollar, but the golden age of essentially speculative dealing. The Chicago futures markets,

Almost as many explanations as economists

the tail that increasingly tends to wag the dog of spot markets, are completely dominated by *chartists. This is ultra-fever* — a market consisting, as they like to joke, of the quick and the dead.

In this ind of market, any honest economist must bow out of the forecasting game. Indeed, they have now dignified their inability to forecast market swings with a full-blown theory. Reduced to the absurd, this theory has generated a legend: a student was walking with his efficient-market-theorist of a Professor when he say a $100 bill lying in the gutter, and pointed it out with some excitement.

"It can't be there," said the Professor. "If it was, somebody would have picked it up."

However, economics is not really as helpless as this might suggest (for the implication is that if there were any sound theory to explain events, somebody would already have discovered it †. Economics cannot say where the dollar will stand tomorrow (though some dealers thought they detected a turning point on Tuesday night), or whether it will fall next year, as Stephen Marris, a former OECD official believes, or in 1986 as Dr Henry Kaufman has suggested.

Economists can, however, say *something* about *long-term* trends. They can say that no country can remain in large current-account deficit for ever, for in the end the burden of paying interest on the accumulating debt will undermine the economy. They can also say that the U.S. cannot get back towards current account balance unless the real exchange rate falls.

However, this seemingly commonsense analysis begs at least as many questions as it answers. How large is a "large" deficit? It is simply one which causes the burden of interest and dividend pay*ments (for foreign investors* buy U.S. shares as well as U.S. bank deposits) to grow faster than the growth of the economy can sustain. Unfortunately we do not know the present size of the U.S. deficit, for there is a $100bn residual error in the world statistics.

But whatever its size, the average debt service cost is about 10 per cent, and within 10 years the U.S. current account deficit on everything other than debt service will have to be eliminated if the net current account balance is not to get worse.

In short, the present, unknown deficit cannot be sustained indefinitely unless the appetite of the rest of the world for U.S. assets grows with eating, rather than becoming satiated; and even if it can, U.S. competitiveness must improve substantially.

Bulls of the dollar suppose that this will be achieved by keener relative costs rather than by a depreciation in the nominal exchange rate. This is just—but only just—within the bounds of plausibility, an outside chance. The odds must favour a large correction in the dollar sooner or later.

But if the deficit implies a *lower exchange rate*, why have the markets pushed it up rather than down? This is still the central puzzle. Economists, ever ready to be wise after the event, have developed a range of explanations, all of which will be tested as time goes by.

The oddest at first sight, yet it is an explanation which now enjoys quite general support in the profession, is that a large current account deficit and a high exchange rate naturally go together. As a general statement, this is clearly nonsense, but it is true under one condition: if a large deficit can readily be financed by willing capital investment, then the exchange rate will tend to be high, in the sense of making exports uncompetitive.

This may sound odd, but it isn't. A country whose citizens and corporations can readily borrow abroad has to sell that much less by way of merchandise to pay for its imports.

If we look for a moment through the other end of the telescope, at Japan, we can see such a situation being maintained indefinitely. Japan is a large exporter of capital, because the Japanese economy as a whole saves more than it feels able to invest at home.

This means that exports of goods must pay for these capital flows as well as for imports of raw materials. Japan has a huge, perennial surplus in merchandise trade, and an exchange rate which makes this possible.

The U.S. situation is just the reverse of that of Japan. The country does not save enough to finance its investment (mainly because the Government itself is now in such large deficit). Although it is largely self-sufficient in raw materials, it has a drastic merchandise deficit.

As long as foreign investors *remain confident about the U.S.*, this will be a stable situation. However, foreign confidence is not nearly as reliable as Japanese thrift. Some economists have described the

The likeliest explanation is the simplest

U.S. situation as "stable but not sustainable."

We can thus see that it takes *a combination* of the deficit (which means that U.S. industry does not have to be internationally competitive) and foreign confidence (which persuades Dr Herbert Giersch of the Kiel Institute that the dollar will remain airborne for the foreseeable future) to make the present high real exchange rate sustainable, even for the time being. However, we have still not found a cause. There are necessary but not sufficient conditions—otherwise the dollar would also have been strong under President Carter. It is time to bring in the factor which dominates market sentiment—interest rates.

The strength of real interest rates in the last two or three years has been as unexpected and has provoked as much hindsight, as the strength of the dollar itself.

Among other explanations on offer are expectations about inflation, general uncertainty about everything, and simply the American fiscal deficit. Each is quite plausible, but none is really persuasive, for the result is so much more dramatic than the supposed causes.

Thus, if we run through them, is it really true that the markets are haunted by fears of a large rise in inflation? There is no independent evidence of such fears, and a good deal by way of opinion surveys to contradict the idea. Indeed, the markets themselves tell a diffrent story —gold, the traditional inflation hedge, is in the doldrums, U.S. real estate has been something of a disaster, and even in London indexed bonds are out of favour.

Indeed, the whole analysis is just a piece of circular reasoning: those who believe that interest rates measure inflation expectations then argue that expectations must be bad because rates are high. This is evident nonsense.

The other ideas stand up little better. Uncertainty does make people reluctant to commit their money, and so worries those trying to control the money supply; but real crises drive rates down, not up, as we saw in the flight into quality in 1982.

The U.S. fiscal deficit is large, it is true; but if we look at the OECD area as a whole, the picture is very different. Policy in most other countries is quite tight. The big jump in deficit was in the mid-'70s, when inflation left interest rates far behind, not in the '80s, when the lead changed.

The likeliest explanation is surey the simplest: a rising price and rising real borrowing costs tell us that there is a dollar shortage. The shortage is not inside the United States—the U.S. money supply has been apparently under control both under President Reagan and President Carter; but the supply of dollars outside the U.S. has almost stopped growing.

Again, as with the current account deficit, it is enragingly impossible to be precise; but even the imprecise figures we have show something dramatic. *Dollar* reserves in central banks, which were growing at some 20 per cent annually when the dollar was weak, actually fell by more than 5 per cent between 1981 and 1983, when Euromarket holdings are included.

Private holdings of dollars by non-Americans are much harder to measure. BIS figures suggest that the growth rate in respectable reporting banks fell from about 10 per cent in 1981 (and much higher rates earlier) to 2 or 3 per cent annually in 1982 and 1983. Meanwhile holdings in non-reporting centres such as the Cayman Islands have certainly fallen as banking fears have spread.

In short, American monetary policy has still to get the measure of its responsibility for managing a world currency. Under President Carter, the Fed took no notice of the explosive growth of offshore money and dollar reserves, until other countries protested. Under the determined Mr Paul Volcker, the Fed has taken no account of the shortfall in offshore dollar growth and the fact that his policies have imposed a dollar squeeze on the rest of the world. The Fed suffers from tunnel vision.

Will the Administration and the Fed continue to behave as if the outside world were no concern of theirs? Short of a full-blown dollar or banking crisis, the odds appear to be that they will. And if present, unbalanced policies persist, will world investors remain happy to finance the U.S. deficit? That, alas, is where we came in.

Men and Matters

Sangster takes the stage

Robert Sangster, who took over yesterday as chairman of the Apollo Leisure Group, which owns theatres around Britain, can be forgiven for thinking he can pick winners.

His appropriately - named horse, Sadlers Wells, has just carried off the richest prize in European racing, the Phoenix Championship Stakes in Dublin.

Sangster, aged 48, has also won the Derby twice nad is reckoned to be the most successful race-horse owner in the world.

Now he is turning his talents to picking good thetrical investments.

He has been a silent backer *of Apollo* for some time. The company came out of the north —from Southport—and Sangster has always kept his northern roots nourished. Vernons Pools of Liverpool is the source of the family money.

His arrival at Apollo suggests that the group may eventually follow the public route through a City quote.

In the treacherous waters of the West End Apollo has had more successes than failures—the Apollo Theatre, Victoria, is currently presenting Starlight Express—and the group is believed to be interested in expanding by acquiring some of the London theatres on the market.

Shares out

Eric C. George, deputy general secretary of the Post Office Engineering Union, is woring on the premise that there is no such thing as a free lunch.

His members among the 240,000 British Telecom work force are being advised by him how not to accept the £70 worth of free shares promised to every employee when BT is privatised *later this year.*

"It has been said," writes George, "that employees will be virtually forced to accept the £70 worth of free shares."

He then weighs in with detailed advice as to how any employee can protect himself or herself from accepting them.

Called "How not to have shares in BT" his circular bids fair to become a classic in trade union follore. Until, that is, another progressive official advises his members, "How to avoid your next pay rise."

Sporting touch

Few men have been so adept at turning rising stars of sport and entertainment into satisfactory cash flows as Mar McCormac, head of his own company, International Management Group.

McCormac, who is in London this week to push his book "What They Don't Teach You at Harvard Business School," started by managing and mareting the golfer Arnold Palmer.

Now he teaches international corporations interest in megabuck investments how to use sport to advantage.

The sports stars he took on now have their finances man*aged by his group. He also owns* fashion agencies, and has represented the Nobel Foundation and the Vatican. He is TV consultant for the 1988 winter and summer Olympic Games and employs 450 people in 15 offices worldwide.

To underline the point that business is grossing between $200m and $300m a year in revenue.

Perhaps the best anecdote to illustrate McCormack's book—naturally a crisp and professional job—is the one about two Harvard Business School graduates.

The brighter became an assistant branch manager at the local ban. The duffer of the duo became a multi-millionaire.

Asked how he had done it the duffer replied, "It was easy. I bought something at $2 and sold it at $5—and, you know, a three per cent mar-up can't be band."

"As a Russian defector, how long do you expect to stay in the UK, Mr Smith?"

Clear profits

THE £450 that George Williams put into a double glazing business 18 years ago was worth nearly £25m yesterday when he sold Anglian Windows to British Electric Traction.

Williams, now, 56, will be staying with Anglian for at least another two years as chairman but says that after nearly two decades of running his own business he is ken to share the load.

He started his career in the unlikely business of sexing chickens for poultry farmers in Norfolk. When that business started to be dominated by large companies he went part-time into the double glazing business before opting for it full-time with a showroom in Ipswich.

Surprising as it may seem now when every other knock at the door is from a double-glazing salesman, the idea was once new. Customer resistence was hard to overcome back in the 1960s.

But Williams persevered and his company is now number two in thedouble-glazing league with a turnover of £81.5m, a network of 118 showrooms and 49 branches round the country.

Unlike his near neighbour, the East Anglian turkey man Bernard "Bootiful" Matthews, Williams has kept a low profile

Italian style

Lunch at one of Milan's discreetly elegant restaurants, and dinner in New York with the Governor of the Bank of Italy, calls for a certain amount of energy together with good connecting flights.

Italy's superstar merchant banker Mario D'Urso contrived both yesterday.

He left Italy after hosting a lavish lunch, only 12 months ago he disengaged from Lehman Brothers, the Wall Street securities house, with a $3m handshake. Now he is back with the old firm as a managing director in charge of international accounts.

"But I will still work at Kissinger Associates in New York," explained a beaming D'Urso. He plans to spend a week each month working on Lehman's international busines. That will include Euromarket deals and a brand new Italy Fund which, D'Urso hopes, will attract up to $50m to start with. His time will be divided between New York, London, Rome and Milan.

The jet-setting D'Urso was joined at the Milan lunch yesterday by Nat Samuels, a senior Lehman man who served as Richard Nixon's Under-Secretary of State for Economic Affairs. Samuels, an old-style Wall Street insider, concurred with D'Urso's declaration. "We are very bullish on Italian industry."

The idea of the Italy Fund, which has yet to be formally constituted, is to attract dollar funds in the U.S. and Japan for investment in Italy.

Observer

Economic Viewpoint

The case for capital ownership for all

By Samuel Brittan

IN view of the importance of Dr David Owen's proposals for "giving" ordinary citizens a share in the ownership of capital assets, it is worth quoting his exact words. As the SDP leader has made very clear that he has drawn upon some ideas of mine, this is another reason why his words surely deserve a place in this column.

"The wrong way to emphasise the 'social' part of the 'social market economy' is to water down the emphasis on the market place in the commercial life of the nation. The best way of promoting a progressive and prosperous social market economy is to insist on a more widely dispersed ownership of property and assets, so that the benefits, and the degree of personal independence which it makes possible, become widely available—instead of being confined to the few.

"We need direct measures to *give ordinary citizens a stake in* the ownership of productive assets. Instead of state assets being sold to institutional investors, as under *the present form of Tory privatisation proposals*, there is a far stronger *case if they are to be sold*, that those shares should be "given" to every adult citizen. It would *mean state revenues would be* paid out directly to all citizens, whose entitlements could be sold on the market.

"Incidentally, the workers in the *industries concerned* could and should still be given a preferential allocation of shares. And the mix between worker ownership and citizen *ownership would vary.*

"Going further still, there is a case for public unit trusts whose shares would be distributed to all citizens, to whom a *growing proportion of the equity* of each major company in the land would be transferred."

Dr Owen's speech marks the first advocacy of these ideas by a *national political leader* and puts them on the public agenda. But they have had a long intellectual genesis.

The mistake of socialists and *collectivists is that they* attack the existence or *size* of profits rather than the ownership of profitable assets. If most wage earners were also capitalists, the *social* arguments against profits would disappear. This is partly happening through the pension funds, but adding further power to these funds has well-known drawbacks. A reform of Capital Transfer Tax to make it into an inheritance or accession tax, levied on the *recipient*, would be an encouragement to the dispersion of hereditary property.

But more direct measures to give ordinary citizens a stake in the ownership of productive assets are also required. Workers' co-ops have certainly a role here, but there is no case for making these the sole form of business enterprise and there are disadvantages in workers having all their eggs—their equity property as well as their wage—in one basket.

The concept of free distribution to all citizens of a right to a share in revenues from *national assets originated in my* case with North Sea oil.

The "privatisation" programme of the present Government, provides another opportunity for the mass distribution *of saleable rights to dividend income. The suggestion I made* in Financial Times articles (and in more detail in *The Political Quarterly* of April-June 1984) was that instead of state assets *being sold to investors, shares* in them should be "given" to every adult citizen on a pro rata basis.

It is only frank to admit, that *if the state assets are "given away"* there will be less scope for cutting taxes than if they are sold (or more need to increase taxes if fiscal developments are adverse). *Instead of* obtaining tax cuts, citizens will instead have dividend payments on their denationalised shares. These dividend payments would have the following advantages over tax reductions:

(a) **Distribution.** Nationalised industry stock would initially be distributed equally to all citizens. Tax cuts inevitably benefit those who pay most taxes.

(b) **Capitalisation.** Even more important: holders of the new stock would be able to realise their assets in the market, or borrow on their strength, and thus have the benefits of wealth ownership. There is not, on the other hand, and could hardly be, a market in rights to hypothetical future tax cuts.

In contrast to both nationalisation and privatisation—which if carried out at "fair market prices" leaves the distribution of wealth unchanged—privatisation which takes the form of handing over shares to all citizens without payment does help make the distribution of capital assets less concentrated.

The main distasteful feature of investment or unearned income is that too *few* of us have it. Writers down the ages have sung the praises of a "modest competence," ie a private income, and the sense of independence it brings. It would be worth extending this undoubted privilege more widely. Popular ownership of shares in the formerly nationalised industries would only be a small step in shifting the distribution of capital ownership, but it would be a worthwhile start.

The one plausible objection to mass *handover* of *state* shares is that the amounts involved per family would be modest. My own estimate was *that a family of two adults* would have a stake worth £2,500 with dividend income approaching £150 (assuming a very slightly higher yield than on existing *equities*).

The North Sea oil stock, if it had come off, might have provided the same family with an annual income of £500 during the peak years of oil revenue and be worth perhaps £4,000. So the two schemes together would have been far from negligible; and this fact emphasises how important it is to seize any opportunity for mass ownership that arises.

It is in order to broaden mass *ownership from that of the* hitherto nationalised industries to business enterprise in general that I have also suggested public unit trusts, whose shares *would be distributed to all citizens*, to whom a growing proportion of the equity of each major company would gradually be transferred.

The idea was based on some earlier abortive Scandinavian Social Democrat proposals. These had the defect of transferring equity ownership to the unions, with all the possibilities for monopolistic exploitation this would involve. But if the units were held by individual citizens many of the objections would disappear.

The wider suggestion needs much more detailed work. It *would involve many problems*—not only the details of share distributions such as whether they would be made out of profits, as in some existing profit sharing schemes, or by *issuing* new equity in prescribed annual amounts. More important would be the treatment of unincorporated companies and property and *land ownership*, which in practice provide much of today's "unearned income," difficult though it is to locate in the statistics.

The basic reason why the average individual gain from a stake in the state sector or even in the whole private sector might be modest is that the return on capital in the last decade has been very low. (I have assumed some improvement in the nationalised industries, after disposal, but nothing sensational.)

This brings me to the wider economic aspects, on which Dr Owen is so far uncommitted, but on which others have written. This is the possible need for a fall in the price of labour and rise in the return on capital if full employment is to be restored. (Prof Herbert Giersch of Kiel suggested that European real wages are 10 to 15 per cent above market clearing rates.)

Were it not for the unemployment horrors, mass share ownership would be mainly a distributional improvement. The need to price labour back to work forces it, however, to the front of the political agenda. For if capital is to receive more and labour to receive less, the ownership of capital becomes vital. The social arguments against an increase in either the yield on capital or its share in the national income disappears if capital is widely distributed among ordinary citizens and if *nearly everyone* is able to participate in its rewards.

The possible dilemmas we face are vividly described by Prof James Meade in the *Journal of Social Policy* (Vol. 13, No. 2, 1984). This is that new forms of capital equipment might be close and efficient substitutes for labour ("with flexible, intelligent or semi-intelligent powers of receiving, analysing and responding to data") so that at prevailing wage rates capital equipment became far more profitable to employ at the margin than labour.

Wages might then fall enough to maintain full employment, but at the expense of a highly concentrated distribution of income "with the rich owners of robots employing a large number of poorly paid butlers and other servants." An alternative and more likely result would be that unions would be able to hold up the real wage level, for a diminishing employed labour force, while "a large part of the available workers would have joined the black school leavers from Brixton."

Prof Meade labels these deliberately "stark and simple" stories as "fables." But his conclusion is that real wages should be allowed to "change to the extent necessary to provide employment opportunities to all who want them; and this would be possible or tolerable if everyone enjoyed a *fair* share of the profits earned on the robots, computers and tapes, and indeed on property in general."

The policy suggestion thus does not depend on the accuracy of the technocratic vision. If robots can really be cheap substitutes for human labour, mass property ownership would turn this development into a great blessing rather than a catastrophe. But mass share ownership would also make tolerable the distributional effects of the less drastic shift in the relative rewards of labour and capital, which we will need to restore full employment even without *science fiction developments*. Mass share ownership is desirable both for social reasons at any time and *necessary* at present as an insurance against the unforeseeable effects of economic and technological change.

"Of course, if they give us all shares, I shall demand a return to a six-day week and reduce the holidays and. . . ."

Lombard

Mortgage rate dilemmas

By CLIVE WOLMAN

IT HAS TAKEN a year. But at last home-owners with mortgages are starting to suffer the consequences of the break-up of the building society cartel.

On one view, the worst has yet to come. Only when interest rates on home loans have risen sufficiently to nullify the benefits of tax relief — which would imply a rate of about 15.5 per cent or nearly 5 per cent over bank base rates — will mortgage demand be brought into line with the supply of funds.

This gloomy outlook has one attraction: the futility of subsidising mortgage interest rates as a way of promoting home ownership would become obvious, perhaps even to the Prime Minister. For in these circumstances, the entire subsidy would be pocketed by building society investors — at the expense of the borrowers and of the third beneficiaries of the subsidy, the existing home owners. They would lose out as the upward pressure on house prices, fuelled by rising demand, faded away.

The argument behind this scenario, however, needs to be examined more closely.

Investors in building societies, it runs, have to pay income tax on all their interest. So the building societies are forced to offer them much higher grossed-up interest rates in order to compete in a highly sensitive market with tax-privileged forms of saving. These include the tax-exempt National Savings Certificates, low-coupon government securities, personal or self-employed pension plans and more sophisticated tax avoidance schemes.

The extra cost of raising funds to be passed on to the borrowers. But they are willing to pay the extra because the cost of other forms of borrowing such as overdrafts or personal loans, which are denied tax relief, is even higher. And home owners have increasingly found ways of using mortgages to finance indirectly other expenditure.

Housing credit has for many years been growing much faster than the value of privately owned houses.

The only reason that, up to now, tax relief on mortgages has been of some benefit to borrowers, the argument runs, is that the building societies' "benign" cartel has held down interest rates over the years to below the market clearing level.

Mortgages have then been rationed amongst the societies' favourite customers and, until the last few weeks, advertising has been limited to the raising and not the disbursing of funds.

The events of the last year thus demonstrate the difficulty of reconciling a commitment to free market forces with even limited interference through manipulation of the tax system.

But there is one flaw in this argument that may be of some comfort to mortgagors, although not to the building societies. Higher rates attract competition from other sources.

It is already possible to raise mortgage funds more cheaply from, for example, the UK pension funds, which can pocket the interest gross. Their long-term liability structure gives them an advantage over building societies which have to borrow short and lend long.

The higher rates now available may serve to overcome the trustees' traditional inertia.

The other possibility is to raise relatively cheap, tax-sheltered money via the world capital markets.

This, it appears, is the strategy of the U.S. banks in London which have started offering mortgages.

It will take several years for developments such as these to unwind. But if the building societies are not to lose more and more of their market share, they will have to change their ways.

Reimposing the cartel, even if it were feasible, is unlikely to stave off the outside competitive forces. A more attractive strategy might be for them to press for greater access to the wholesale money markets than that envisaged in July's Green Paper, and to exploit more effectively the personal pension market.

Best of all would be for the Government to sort out the mess which has enveloped the taxation of savings so the building societies could compete on an *equal footing with everyone else*—and, at the same time, abolish mortgage interest tax relief.

Letters to the Editor

Let miners have uneconomic pits

From Mr W. Kenyon,

Sir,—Under present circumstances there seems to be little possibility of the two sides in the coal mining dispute ever agreeing a basis on which serious discussion can begin.

Yet provided that both sides can acknowledge that accountancy is not the exact science to which it seems to have been elevated, and understand that the answers provided by accountants *depend very* much on the starting assumptions, a possibility exists of a reasonable resolution of the present problems.

If agreement were to be reached *that* every "uneconomic" pit (as defined by the NCB method of accounting) were to be offered free of charge either to the local community or *the NUM, the continuing* operation of the pit would be free of all interest and depreciation charges—which it currently bears—and which probably *make the difference in many* cases between "economic" and "uneconomic" working.

The NCB would be relieved of the continuing losses and the costs of *redundancies for pits*, the assets of which would be written off in any case on closure. The miners, on the other hand, would be able to produce *coal at a price which*, freed from the burdens imposed by the NCB methods of accountancy, would presumably be attractive in the free market and would *continue* to do so until the stocks were unworkable or the direct costs of production rose so as to price the coal out of the market.

As part of the agreement, all *profits in the future* must be reinvested in activities so as to preserve the economic health of the local community and to provide for a time when inevitably it would no longer be desirable to continue to work the pit. It would obviously be a matter for the new owners of the mine to decide how much they could afford to pay its employees in order to produce coal at a saleable price and with the export potential very much in mind.

I believe that a proposal on these lines could be rejected only as a result of complete intransigence and negotiating bad faith. The solution is so obvious that I find it difficult to believe that it has not been considered. If it has, can one be told why it has been rejected and by whom?

W. Kenyon,
Longridge,
Talbot Road, Bowdon,
Altrincham, Cheshire.

Losses at the Coal Board

From Mr D. R. Myddelton

Sir,—Mr S. P. Chakravarty (September 13) has not scrutinised the National Coal Board's 1983-84 accounts carefully enough. He converts the reported £410m loss before interest into a "profit" of £35m by adding back £130m (Note 3) and £315m (Note 6) relating to *charges in respect of past employees.*

But he has still credited as income £270m social grants (Note 10), which offsets most of *the £315m. If that were omitted*, as it should be, then the National Coal Board's loss before interest would amount to £235m.

Unfortunately, however, even that result is much too optimistic. When proper allowance is made for inflation, I reckon the equivalent loss would be more than £600m even without charging the net £175m in respect of past employees. And it looks as if this year's results may be worse.

D. R. Myddelton.
School of Management.
Cranfield Institute of Technology,
Cranfield, Bedford.

Lessons of the 28th issue

From Mr D. G. Jones

Sir,—While I believe there are lessons to be learned from the withdrawal of the 28th issue of National Savings Certificates (Leader page, September 13) I suggest they are different from yours.

In the United States tax-exempt bonds have been available for many years. While U.S. taxable interest rates are currently *higher than* UK rates the U.S. tax-exempt market rates are as low as 6 per cent. The lesson appears to be that if the government was more sophisticated in its approach to this market it would pay less. It had been bidding up rates, which was bad for borrowers, taxpayers and the economy in general.

Turning to the deductibility of mortgage interest, I would agree that this is a gross distortion. One remedy is not to defeat the currency with high interest rates but to join the EMS. In general, EMS member interest rates are lower and this appears a more economical solution for defending against the dollar's strength. Alternatively, if we have to compete with the Americans with high interest rates let us do so on equal terms.

American consumption and the economy is not depressed by their level of interest rates, principally because all interest expense is tax-deductible. If you *must have this higher level of* interest rates UK taxpayers should have all interest expense deductible which would remove the distortions of which you complained *and help us to compete* with the U.S.

D. G. Jones.
11, Deepdene Drive,
Dorking, Surrey.

Longer shop opening hours

From the Executive Director of Woolworth Holdings

Sir,—Mr Pattinson's letter (September 12) on shop opening hours ignores many arguments which deserve close attention. No doubt these and many other matters will be fully considered in the forthcoming but much-awaited report from the Government's Committee of Inquiry on the subject and in the subsequent public debate.

There are three major points in the interim:

First, our research in several countries which have liberal shop opening hours indicates no evidence at all of higher prices. The best example, since it is closest to home, is Scotland.

Second, the suggestion that the advocates of free shopping hours are the "unsuccessful groups" does not stand up to scrutiny. The proponents of free trading hours include such highly successful retailers as Asda, Habitat/Mothercare, Harris Queensway, and W. H. Smith, as well as two members of our own group—B & Q and Comet.

Third, Mr Pattinson ignores the key element in the debate—meeting the needs and wishes of customers. All the evidence points to a substantial majority of the public wanting to see longer shopping hours in the week and Sunday opening.

Following legal proceedings, our Woolworth subsidiary closed its Kensington and Southall stores last Sunday in spite of substantial customer demand for them to be open. What is particularly galling is that there were approximately 87 stores open in the Southall area on that day, all free to meet the evident needs of their customers.

One thing is clear. The sooner the Government receives the Committee of Inquiry's report, and acts on it, the better.

Nigel Whittaker.
Woolworth Holdings,
242-246 Marylebone Road, NW1.

Sunday shopping in New York

From Mr A. T. Kraft.

Sir,—Mr Peter Lewis, Chairman of John Lewis, does not have the buying public in mind when he adopts his intransigent attitude against Sunday trading (September 3).

I returned this morning from New York, where Sunday and public holiday shopping, not to mention late night shopping, is very popular and universal among large stores. On Sunday I stopped in a supermarket to look around. I also purchased two domestic appliances in the equivalent of John Lewis for my Long Island home. In both stores, shoppers abounded and employees were cheerfully selling despite it being a Sunday.

Prices, by the way, in both food and appliances are considerably lower than in the UK and my appliances are *being installed tomorrow, not in* several weeks as would be our norm in the UK.

Anthony T. Kraft.
48 Staveley Road,
Chiswick, W4.

Information technology

Sir,—Government decisions of the past, such as the closure of the Office for Scientific and Technical Information's *Documentation Processing Centre in* 1971, have contributed to the present "crisis" in the information technology industry (September 3).

This Manchester-based centre was in some respects ahead of its time; but, in its short lifetime, it attracted a high-calibre staff and was beginning to have *an influence quite out of proportion* to its size.

Conceived in "white heat" days, and located within the Department of Education and Science, it was closed as an economy measure by action of the Secretary of State, Mrs M. Thatcher, after the order of £1m (early 1970s currency) of taxpayers' money had been expended in setting it up. The centre's carefully assembled staff, whose collective expertise and judgment were becoming recognised, were disbanded and permanently dispersed.

The closure was to the consternation—expressed in Parliament—of Mr Airey Neave, then the Government's respected authority on scientific affairs, and must have been to the surprise of the country's nascent overseas competitors in information technology.

The sum saved has turned out to be trivial in comparison with sums "thrown at the industry" in subsequent years and paltry when compared with the country's present adverse trade balance in information technology.

I would not wish to exaggerate the eventual role that the centre might *have played*; but it would undoubtedly have continued to provide effective and impartial advice to Government.

The post-war history of British technology is littered with lost causes. Information technology, through past neglect, negligence and lack of continuity in the quality of thinking and planning, is in danger of becoming the next, a situation that our now much maturer competitors would have no difficulty in exploiting.

Ivan Hodbod.
12 Woodside Road,
Simonstone, Burnley, Lancs.

FINANCIAL TIMES

Thursday September 20 1984

Stewart Fleming in Washington examines the Reagan approach to slowing steel imports

Subtle shift in the politics of protection

PRESIDENT Ronald Reagan's decision to reject the recommendation of the U.S. International Trade Commission (ITC) and refuse to impose sweeping new quotas and tariffs on foreign steel imports is a further sign of the subtle shift that is taking place in the politics of protection in the U.S.

With Mr Walter Mondale, the Democratic presidential challenger, baying for protection for U.S. steelworkers and the election barely a month away, the President has said that he is not prepared to put the special interest of the steel industry above the national interest.

It would be too much to conclude from this that suddenly protectionism has become a dirty word throughout an Administration which has often been accused of strongly advocating free trade but practicing trade restraint. There were deep divisions within the Administration itself, with the Commerce Department for example pressing a solution to the steel industry which would have lent substance to the allegation that the Administration was giving the accelerating protectionist rollercoaster another shove.

Moreover, it is too soon to judge just how protectionist the measures Mr Reagan has proposed are. If they do indeed cut steel imports from a 25 per cent share of the U.S. market to the 18½ per cent that Mr William Brock, the special trade representative, has said the Administration would like to see, many will conclude that whatever the rhetoric surrounding the Administration's policy, its practice is highly restrictive.

But the central point is that Mr Reagan's proposal to ask Mr Brock to go out and negotiate voluntary understandings with countries whose steel exports to the U.S. have been surging this year, is prima facie less protectionist than either the 15 per cent quota limit which the steel industry has been pressing for or the mixture of quotas and tariffs which the ITC recommended in July.

There appear to be several reasons why Mr Reagan has been persuaded to take the route he has. One is a widespread lack of sympathy for a steel industry which has enjoyed almost continuous protection since 1969 and has still failed to modernise, is still not internationally competitive except in the minimill sector, but has nevertheless granted workers wage increases

Second, there is growing evidence that interest groups which would suffer from the after-effects of granting particular industries increased protection are becoming more effective in making their voices heard.

Earlier this month, in spite of a 5 to 0 recommendation from the ITC, the President refused to give the copper mining industry more protection. That decision was plainly influenced by the fact that manufacturers which use copper strongly attacked the ITC proposal, saying that their raw material costs would rise and jobs would be lost because they would become less competitive.

There has been a similar reaction among steel users, with Caterpillar, the giant earthmoving equipment manufacturer, being particularly outspoken. The car industry, which is enjoying its own protection from Japanese imports, could not be seen rallying valiantly to the steel barons' cause.

But perhaps above all it was the influence of the farmers, who met Mr Reagan immediately before Tuesday's decision. Fearing retaliation against U.S. farm exports, they opposed increased protection for steel. Trade tensions internationally have reached such a pitch that the risk of retaliation as well as domestic political calculations cannot be overlooked.

The European Community countries, which have their own negotiated steel export restraint agreement with the U.S. limiting shipments of certain key products to about 5 per cent of the U.S. market, were among those threatening retaliation.

What President Reagan's decision has done is virtually to ensure that existing agreements will not be jeopardised. The EEC, for example, seems confident that its main agreement will not be affected, although a side understanding on pipes and tubes is being renegotiated because of the surge in Community exports of these products to the U.S. recently.

But it is not just that the decision has minimised the threat of retaliation or disruption of existing restraint agreements which accounts for the comment of one official at the office of Mr Brock who said "we are as happy as clams over here."

Officials say the President has given Mr Brock immense flexibility to try to tackle the twin problems of the import surge from a limited number of mainly Third World steel manufacturers

Mr Brock is being asked to persuade countries such as Brazil, South Korea and Spain, whose exports to the U.S. have been growing rapidly, to agree to exercise restraint. At the same time, however, Mr Brock is saying that his office will attempt a new initiative in the direction of liberalising the international steel trade by raising – notably with Japan – the issue of trade diversion, something which has not yet been tackled head-on.

It is thought Mr Brock will tell the Japanese that one reason for the problems of the U.S. industry is that Japan has such tight controls on its steel imports that countries such as South Korea, recognised as one of the most efficient steel producers in the world, are selling to the U.S. rather than the nearby Japanese market.

How is it, Mr Brock asked this week, that steel imports have a 25 per cent share of the U.S. market but only 5 per cent of the Japanese market?

Backing up the pressures Mr Brock is expected to bring to bear is the threat made by the President that the Administration itself would initiate cases alleging unfair trade against foreign importers if they do not voluntarily restrain their exports.

Precisely how the Administration will proceed is being left deliberately vague, however – in part no doubt to give Mr Brock as much room as possible for manoeuvre. What does seem to be clear, however, is that the less successful Mr Brock is in persuading foreign steel exporters to modify practices such as dumping and subsidising exports, the more protectionist the thrust of U.S. policies will become.

THE U.S. has a variety of more or less formal agreements with foreign steel manufacturers which restrict their exports into the U.S. and which cover as much as two-thirds of the import market. In addition numerous decisions have been put into effect imposing punitive tariffs and duties on foreign steel imports which have been found under U.S. law to have been dumped or otherwise unfairly traded.

The major agreements are:

The EEC and the U.S. negotiated a "steel arrangement" under which the EEC agreed to limit its exports of a range of products to about 5 per cent of the U.S. domestic market and to monitor the enforcement of that agreement itself. A less formal understanding was that the EEC would also curb increases in pipe and tube, and the U.S. is now seeking to press the EEC for greater restraint on these exports, which have increased sharply this year.

Japan: Under a "very informal agreement" the Japanese will voluntarily restrain their steel shipments to the U.S., but details have not been made public. Japanese exports have been increasing sharply, however, and the U.S. is clearly concerned. How it tackles the surge from Japan seems to depend in part on whether the Japanese agree to open their domestic market more to steel imports and so reduce the trade by diversionary pressures which the U.S. is complaining about.

Canada: There is no formal agreement, but U.S. officials say that the Canadians have said they will exercise "prudence" in their exports to the U.S.

Mexico has voluntarily agreed to restrain its exports in the face of heavy pressure from the U.S. steel industry.

South Africa has also announced a voluntary restraint programme.

South Korea, Brazil and Spain have no understandings or agreements about restraint, and are seen as prime targets of the pressure Mr William Brock, the U.S. special trade representative, is expected to bring to bear for voluntary restraint.

IMF debut for a wily tactician

Continued from Page 1

reform of the international monetary system, which was one of the prized projects of his predecessor, Mr Jacques Delors. "We must not be carried away by dreams, but we should not lose hope," he says, arguing that such a reform and the introduction of a new international monetary order based around the dollar, the yen and the European Currency Unit, will be a long, drawn-out task.

He is deeply worried by the climb of the dollar and of U.S. interest rates and the damage that might do in Western Europe and the developing world. In Washington, he will tell U.S. representatives that they must recognise their responsibilities.

"If the U.S. budget disequilibrium becomes permanent, how can they demand rigour from others?" he says.

"France took its decision to support the deployment of U.S. missiles in Europe because we believed it was right and it was our duty to speak up."

M Bérégovoy will again put the French case for a new issue of Special Drawing Rights (SDRs) for developing countries and will also oppose U.S. demands for a substantial reduction in access to the fund for those countries.

For his international debut, M Bérégovoy is planning small meetings with U.S. journalists, Wall Street bankers and financiers and Administration officials.

He is far more at ease when talking in small groups, when the personal convictions and warmth of a man who has spent his life in the Socialist cause come through. He is an old, trusted friend of President Mitterrand. As soon as the Left came to power in France in 1981, he became the President's right-hand man as secretary-general at the Élysée Palace.

He has been a possible candidate for Prime Minister both in 1983, when Mr Pierre Mauroy's term was renewed, and again this summer, when Mr Laurent Fabius got the job.

M Bérégovoy has shared in the failures and success of the Socialist Administration. He holds some of the responsibility for the mistake of pressing President Mitterrand in the first year of power to force industry to reduce the working week to 39 hours and provide employees with full salary compensation – a sign that the French Left, as the recession deepened all over the world, had completely misread the state of the world economy.

From being secretary-general at the Elysée, he became the Social Security Minister, where he did a universally praised job of cutting the social security deficit and reforming the welfare state without provoking a public outcry. A man not given to any particular sense of modesty, he likes to underline his recent achievement of returning the French social security system to the black with a surplus of FFr 13.1bn ($1.38bn) this year.

His weakness so far as Economy and Finance Minister has been that he has seemingly not always grasped the macroeconomic implications of policy. In its first months under M Bérégovoy's leadership, the Ministry has not always given the impression of pursuing coherent objectives.

Taking over from M Delors, a respected international figure, was never an easy task. M Bérégovoy appears to have made the cold political judgment that he must keep his distance from M Delors and set his own style. He has never contradicted the leaks and inferences that M Delors's management of the Ministry was not all that it might have been. M Delors had left a budget deficit running at 4 per cent of gross national product, M Bérégovoy wrote to the Prime Minister, according to a recent leak in the satirical weekly Le Canard Enchaîné.

M Bérégovoy also blames privately the previous Government for the unpopular and difficult decisions of his first months as Finance Minister when he sharply raised petrol taxes and telephone rates. He thinks M Delors should have raised petrol taxes last May, but believes his predecessor was watching the consumer price index too anxiously.

Since taking over the Ministry, M Bérégovoy has made almost a fetish of his beliefs in the values of cutting the budget deficits. In any conversation he returns to the subject with an almost Thatcherite fervour. But behind his crusading monologue on state deficits lies a well reasoned personal conviction.

"I believe that budget deficits are inflationary," he says. "If you can reduce expenditure then you can reduce the budget deficit. And the smaller the budget deficit, the smaller the amount of monetary creation and hence you can bring down interest rates."

Bringing down interest rates holds the key for M Bérégovoy to such crucial elements in the economy as encouraging investment and lowering the debt servicing burden to give the Government some leeway over the budget.

Since his appointment he has sought to accelerate the downward movement of French interest rates. The Bank of France has now lowered its intervention rate to 11 per cent from 12 per cent last May and 13 per cent last year. But M Bérégovoy says: "I cannot go too far." He recognises that his room for manoeuvre in pushing French interest rates down further is limited.

In his long-term budget strategy, M Bérégovoy is also aware of the danger that a pick-up in consumer and investment demand in France next year might accelerate imports and in turn worsen the trade deficit. "But," he says, "I do not take risks; and do not forget that the export battle remains our priority."

In spite of his image as a somewhat *old-fashioned Mitterrandist*, M Bérégovoy has a strong liberal streak and believes in the mechanisms of the marketplace. He believes, for example, that public utilities should be allowed to charge true prices – a radical idea until recently in France.

"You will discourage Electricité de France and Gaz de France if you do not allow them to charge true prices," he says. "It is only by charging true prices that you can expect them to control their costs and make productivity gains."

"More generally," he adds, "it is not by blocking prices artificially that you can tackle inflation. You can lower inflation by reducing costs."

Before the end of this year, M Bérégovoy hopes to be able to sig-

M Pierre Bérégovoy

nal some loosening of French exchange controls and of the French system of controlling credit by imposing specific ceilings on different forms of loans and borrowings. The system is known as the *encadrement du crédit*.

At the moment he is not a supporter of a devaluation of the franc. He believes that the disadvantages of raising import costs and hence domestic inflation outweighs any temporary gains by exports. He sometimes confides to friends that he would like to revalue the franc.

M Bérégovoy is now a loyal defender of the European Monetary System (EMS) and believes that the European Currency Unit (Ecu) should be strengthened bit by bit by enlarging Ecu swap facilities. "We have more chance of quick progress on moves to strengthen the Ecu than in creating a new monetary order," he says.

He was, however, a supporter of pulling France out of the EMS in March 1983. Although that is now history, one occasionally detects in M Bérégovoy a man who would cheerfully exchange the dramas of fixed exchange-rate devaluations for a more flexible floating regime. He clearly finds it ironic that France, with its weaker currency, should have to buy D-Marks to support the West Germany currency in the EMS.

Between flying to Ireland and going to Washington for the IMF meeting, M Bérégovoy took time off at the weekend for his daughter's wedding. Before doing so, like the prudent housekeeper he is, he took out an insurance policy on the wedding dress, borrowed from a *grand couturier*.

U.S. arms microchips '90% clear'

By Louise Kehoe in San Francisco

TEXAS INSTRUMENTS acknowledged yesterday that it had identified "minor testing anomalies" in about 200 semiconductor microchip types for military use.

The company, which last week informed the Pentagon that testing irregularities might have occurred in some of the 4,700 device types that it supplies to military contractors, is now going through the lengthy process of attempting to verify test procedures on all the devices.

This follows the halt called by the U.S. Defence Department to the acceptance of all military systems containing the "suspect" Texas Instruments chips.

"We have sent a list of about 2,000 part types to the Defence Department. Of those 2,000 over 90 per cent have been found to be correctly tested," the company said. The other parts might not have been fully tested to defence contractors' specifications, the company confirmed.

The testing errors, however, do not imply any problem in the level of reliability of defence systems, it stressed. The chips are used by military contractors in virtually all modern U.S. weaponry and military equipment. But before any such equipment is delivered to the military, its circuit boards and the whole system must both be fully tested by the defence contractor, the company said.

The Pentagon is also downplaying the size of the problem. The Defence Department now says that it knows of no system failures that are linked to Texas Instruments parts. Last week the Defence Logistics Agency, the department's purchasing control arm, generated widespread concern by announcing that "suspect" microchips had been installed in many weapons systems.

The Pentagon is now said to be extremely embarrassed by the earlier statement.

World Weather

		°C	°F			°C	°F			°C	°F			°C	°F
Ajaccio	F	22	72	Dubrovnik	F	24	75	Malaga	S	26	79	Salzburg	C	15	59
Akrotiri	S	29	84	Faro	S	28	82	Malta	F	27	81	Seoul	C	25	77
Algiers	F	25	77	Florence	C	20	68	Manila	C	32	90	Singapore	F	28	82
Amsterdam	C	15	59	Frankfurt	F	16	61	Miami	F	26	79	Stockholm	C	11	52
Athens	S	27	81	Funchal	F	23	73	Milan	F	18	64	Strasbourg	C	16	61
Bahrain	S	36	97	Geneva	C	16	61	Moscow	C	11	52	Sydney	C	16	61
Bangkok	C	33	91	Gibraltar	S	26	79	Munich	S	16	61	Taipei	R	26	79
Barcelona	S	24	75	Guernsey	C	16	61	Nairobi	F	25	77	Tangier	S	24	75
Beirut	C	28	82	Helsinki	R	9	48	Naples	C	21	70	Tehran	-	—	—
Belgrade	S	26	79	H. Kong	C	28	82	New Delhi	C	33	91	Tel Aviv	S	29	84
Berlin	F	17	63	Innsbruck	F	18	64	New York	S	14	57	Tenerife	C	24	75
Biarritz	F	20	68	Inverness	F	13	55	Nice	F	19	66	Tokyo	R	21	70
Blackpool	F	15	59	Istanbul	S	27	81	Oporto	-	—	—	Toronto	S	13	55
Bordeaux	S	20	68	Jersey	C	16	61	Oslo	R	11	52	Tunis	C	24	75
Brussels	R	15	59	Jo'burg	C	19	66	Paris	C	17	63	Valencia	S	28	82
Budapest	F	23	73	Las Palmas	F	24	75	Prague	-	—	—	Venice	F	19	66
B. Aires	R	17	63	Lima	C	20	68	Reykjavik	C	5	41	Vienna	S	21	70
Cairo	S	34	93	Lisbon	S	25	77	Rio de J'o	C	24	75	Warsaw	F	15	59
Cape Town	C	15	59	Locarno	S	19	66	Rome	C	20	68	Zurich	C	17	63
Caracas	R	28	82	London	F	18	64								
Casablanca	-	—	—	Los Angeles	C	23	73								
Copenhagen	C	13	55	Luxembourg	C	13	55								
Corfu	S	26	79	Madrid	F	23	73								
Dublin	F	14	57	Majorca	C	22	72								

Readings at mid-day yesterday:

C-Cloudy D-Drizzle F-Fair Fg-Fog H-Hail R-Rain S-Sun Sl-Sleet Sn-Snow T-Thunder

U.S. housing starts fall

BY REGINALD DALE IN WASHINGTON

FURTHER SIGNS of a slowdown in the U.S. economy came yesterday with reports of a continuing decline in house construction and only slow growth in personal incomes and spending last month.

August housing starts fell by 12.8 per cent, in the second consecutive month of decline. It was the biggest drop since March, when new construction fell by 26.5 per cent, only to bounce back most of the way in the following months.

Industry analysts attributed the latest downturn largely to high mortgage rates, with many of them expressing surprise that the slowdown has not been worse. Mr Malcolm Baldrige, the Commerce Secretary, said yesterday that he now expected the downturn to end with "a slight rebound."

Personal income rose by just 0.5 per cent in August, the smallest increase since May, and spending edged up by a minimal 0.1 per cent.

With most other indicators also signalling a cooling off in the economy, there is widespread interest in the latest "flash" estimate of the growth rate due to be published by the Commerce Department today. The estimate will provide the first official projection of the growth of gross national product in the third quarter.

UK electricity and steel under threat

Continued from Page 1

The proposals would see workers in power stations refusing to accept any imported coal, or coal from opencast sites or from working pits. The power station workers would also be called on not to accept any more oil than the normal deliveries – action that would severely cut back fuel to the stations.

An internal estimate produced for the union shows that if the action were fully successful, power cuts might result in some areas by early next month. However, assuming a more realistic response of 50 per cent, power cuts would take place by mid-November.

THE LEX COLUMN

Premium income from BAT

The London stock market's traditional struggle with BAT – to decide whether the shares should look just cheap, or very cheap – has been going the company's way lately. Despite – or perhaps because of – its £1bn plunge into the unknown depths of the insurance industry. BAT's rating has raced ahead this year, to the point where it is prospectively yielding only a touch more than the market.

It is difficult indeed to argue against the figures. A pre-tax profit of £505m for the six months to June points the way to perhaps £1.2bn for the year. Recovery in tobacco – where U.S. profits were more than 60 per cent up in dollar terms – has been offset only by a downbeat result from the U.S. stores.

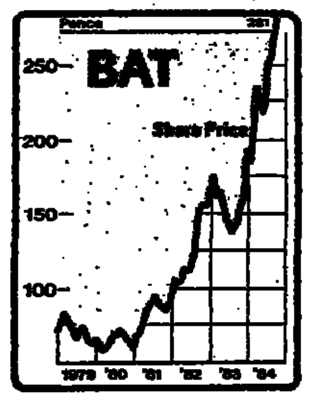
The new financial services division – better known as Eagle Star – has perhaps not done quite as well as BAT might have hoped in its first six months. This reflects the need to provide this year for some of last year's weather damage.

It has been suggested that there was insufficient room for full provisions in Eagle Star's 1983 earnings forecast. It has a positive side, however, in that this years's less good underwriting result seems to be going hand in hand with a more aggressive pursuit of premiums.

If Eagle Star has now thrown off the shackles – through no longer having to defend itself against Allianz, and BAT – that should come through in higher earnings later on.

Whether that means BAT will have anything to show for it in 1984 after the Eagle Star financing costs is a different question. Probably the best that can be hoped for is that Eagle Star will make £100m for the year, diluting BAT's earnings just a trace.

The cash flow from the rest of the business is of such awesome strength, however, that the balance sheet could almost be expected to de-gear itself by the end of next year. By then the market might again be discounting the inevitability of another gargantuan takeover. In financial services, it would seem, nothing much smaller than a clearing bank could really fit the bill.



Coats Patons

The campaign by Coats Patons to improve its standing in the City has not yet extended to segmental data at the interim stage, so yesterday's results for the half year to June gave only a broad indication of where the progress is being achieved. But with profits showing a 27 per cent rise to £43.2m pre-tax, the progress itself looks real enough.

After adjusting for currency benefits and the absence of exceptional costs, underlying profits growth emerges at about 15 per cent but that is still perfecly respectable for a company which, even after the recent rerating, trades at a substantial discount to the textile sector. Assuming a closing dollar/sterling rate of $1.35, full year profits should be about £105m, which would leave the shares on an undemanding multiple of under six times at last night's price of 125p.

The case against a further rerating is by now well rehearsed. Several of the Coats markets are indeed mature, Latin America still fails to provide a stable of earnings and this year's profits gain in Europe – reflecting earlier rationalisation – may not be repeatable. But, to set against these reservations, Coats can point to genuine growth in several product areas, not least retailing and diecasting. And, without abandoning its Scottish accounting principles, Coats has scope to show rather more generosity with its final dividend than was displayed by the 10 per cent rise in the interim payment yesterday.

Rio Tinto-Zinc

The interminable gloom in most of the world's metal markets would have left Rio Tinto-Zinc well and truly in the dumps just a few years ago. The 14 per cent or so drop in net income from its four principal mining interests for the six months to June will still be no cause for rejoicing through the group's far-flung empire. But the virtually unchanged operating profits of the group as a whole are another ringing vindication of RTZ's rapid development of other industrial activities – net income from which has jumped nearly a quarter over the same period. The boost to earnings from interest on last year's rights issue has been offset by assorted wobbles in the composite tax rate, leaving a decline in the minorities charge to account almost exactly for the interim advance in net income from £84.5m ($104.5m) to £100.1m.

The chief irony of the metals performance is that one of the biggest disappointments – a A$10m ($8.3m) loss for CRA's zinc division – sprang from the strike at RTZ's Broken Hill mines which made zinc prices one of the few bright spots on the LME earlier this year. Elsewhere, coal, copper and iron profits are all down substantially, though aluminium profits have risen strongly. To find the real growth at RTZ, however, it is back to borax once again: profits in this key industrial division have made another timely advance, with exports from the U.S. showing no sign of stress from the stronger dollar.

At 569p, down 16p, the shares sit on a prospective p/e comfortably under nine times assuming net profits of £200m this year – a cheap way, perhaps, into Enterprise Oil?

Premier/Carless

Premier Consolidated and its advisers, Schroder Wagg, have probably played a shrewd hand in appealing to the personal loyalty of shareholders for their main defence against the Carless Capel bid. Premier's register has always contained a sizeable number of individual holders betting on a big strike somewhere, some day. No doubt many of them can be expected to turn up at the public meeting later this month when their chairman will stress – quite justifiably – the abrupt change of investment offered them by way of Carless shares.

It looks an uninspiring switch, not least by comparison with the option of selling Premier in the market at 66p. This is just about the value of the Carless offer, with its shares at 200p, which suggests little hope in the market of a white knight. But there must still be a reasonable chance, for those who hold on, of fresh oil finds worth a good deal more.

Published by The Financial Times (Europe) Ltd., Frankfurt Branch, represented by E. Hugo, Frankfurt/Main, and, as members of the Board of Directors, F. Barlow, R.A.F. McClean, G.T.S. Damer, M.C. Gorman, D.E.P. Palmer, London. Printer: Frankfurter Societäts-Druckerei GmbH, Frankfurt/Main. Responsible editor: C.E.P. Smith, Frankfurt/Main.

FINANCIAL TIMES

Thursday September 20 1984

COMPTROLLER OF THE CURRENCY DEFENDS ROLE IN CHICAGO BANK AFFAIR

Continental crisis was 'inevitable'

BY PAUL TAYLOR IN WASHINGTON

MR C. TODD CONOVER, the U.S. Comptroller of the Currency, yesterday told Congressional investigators examining the near failure of Continental Illinois, the Chicago banking group, that there was little if anything his office could have done to avert the bank's "demise."

Mr Conover, appearing before the House banking committee, fiercely defended his agency's role in supervising Continental and the controversial $4.5bn rescue package which proved necessary in July to prevent the bank's collapse.

"I am persuaded that since mid-1982, there was nothing more that we could have done to speed Continental's recovery and thereby increase confidence," the Federal regulator said.

Nevertheless Mr Conover accepted that, in retrospect, his agency's favourable assessment of Continental Illinois' internal controls "was only influenced by the banks outstanding performance during the years 1974-1981."

Mr Fernand St Germain, the Democratic chairman of the committee, had accused the Comptroller's office of being "paralysed, unable or unwilling to take remedial action," even when Continental's problems surfaced. Mr Conover, however, laid the blame for the bank's problems on its over-aggressive loan expansion in the late 1970s, coupled with insufficient management controls over high-risk loans – particularly those energy loans which Continental had bought from the failed Penn Square Bank of Oklahoma City.

Mr Conover said that it was not until 1982 that his agency became aware of the dangers implicit in Continental's rapid loan expansion.

Subsequently, the comptroller revealed, his office beefed up its examination of Continental, imposed a formal set of directives on the bank, setting out required improvements "in numerous areas" including loan policies and procedures, asset liability management and funding, and at one stage considered forcing the removal of the bank's top executives.

"If there is anything that the OCC (the Office of the Comptroller of Currency) could have done differently, I believe it would have been to place more emphasis on our evaluation and criticism of Continental's overall management processes," he said.

Mr Conover said Continental's "demise" has "highlighted the need for banks and supervisors to continue to work to maintain the public's confidence in individual banks and the banking system as a whole." The comptroller listed seven main areas in which his office has now taken steps to enhance its examination and supervision procedures.

These areas are;

- Improving supervisory techniques, particularly of large banks.
- Using computers.
- Emphasising internal controls during regular bank examinations.
- Greater emphasis on the study of loan loss reserves.
- Moves to impose tougher, and higher bank capital ratios.
- Increased monitoring, particularly of big banks' sources and uses of funds.
- Greater financial disclosure to reduce the risks of false rumours.
- Strict enforcement of the regulators' powers to "vigorously correct" violations of law and imprudent banking practices.

As a result of these measures, said Mr Conover, his agency currently has outstanding actions against 17 per cent of the U.S. banks with assets over $1bn.

Mr Conover maintained that Continental is now "probably the safest bank in the world" and expressed confidence that most if not all of the Federal and other loans currently in place would be repaid.

Without the bail-out, he said, "We could have seen a national and international financial crisis the dimensions of which could not have been envisaged."

Equitable to buy 19 shopping centres

By Terry Dodsworth in New York

EQUITABLE LIFE Assurance of the U.S. has reached agreement on a $750m deal that is expected to consolidate its position as one of the country's largest and most diversified property investors.

The acquisition will give Equitable Life 19 shopping centres with 8m sq ft of retail space, mainly in the Mid-West. Under the agreement, Equitable is paying $425m in cash to General Growth Properties, a Des Moines-based property investment trust, and assuming $280m in existing long-term mortgages.

Mr Gordon Clagett, Equitable Real Estate's executive vice-president, said that each of the shopping centres had a dominant position in its market. Equitable is to invest $10m in upgrading and expanding the properties.

Equitable's operating earnings last year were $146m. However, the company's overall surplus was reduced by the addition of $252m to its reserves to cover lower investment returns than expected on a portfolio of guaranteed interest contracts.

General Growth said it expected to use part of the net proceeds of the sale to repay all its short-term debt as well as other liabilities associated with the properties. The distribution will amount to about $25 a share.

After the deal, the trustees intend to consider "what future course would be most beneficial to shareholders," including the liquidation of the trust, a merger or other business combination, or the continuation of the trust as a property investment trust.

Conclusion of the deal will increase Equitable's management portfolio of wholly owned and joint-venture retail properties to more than 100 shopping centres, with nearly 50m sq ft of leasable space. Total assets under management will then approach $21bn.

Foreign banks reject Electrolux terms on Zanussi's debt

BY ALAN FRIEDMAN IN MILAN

HOPES for a speedy resolution to the long-running saga of the crippled Italian Zanussi home appliance group were set back yesterday when foreign banks decided to press ahead with a counter-offer to the one from Sweden's Electrolux regarding foreign bank debt.

Electrolux is set to take over Zanussi, but has so far been unable to satisfy foreign banks, which have $55m of outstanding debt.

"We have not yet got agreement," said one of the 18 bankers involved in the crucial talks which have been taking place this week at the London headquarters of National Westminster Bank.

Two of the banks would have been willing to write off 25 per cent of the Zanussi foreign debt and convert the remaining 75 per cent into a new medium term loan guaranteed by the Swedish group. The majority of the 18 banks meeting in London, however, prevailed and the plan now is to put forward on Friday a counter-proposal to Electrolux. This counter-proposal, in rough terms, would envisage an immediate repayment of 75 per cent of the $55m. A further 10 to 15 per cent of the foreign debt would be repaid by Electrolux over the next five or six years.

If agreed by Electrolux, the new counter offer would tie in with the foreign banks' earlier demands for a 90 per cent repayment of their debt.

Meanwhile Italian bank creditors, who have already agreed on a seven-year rescheduling of more than $500m of Zanussi debt, fear that Zanussi could be only a week or two away from having to call in government commissioners, who would run the company in receivership.

Key Italian bank creditors are meeting today in Milan to review the situation. They were planning to approve an emergency L50bn ($26m) loan to keep Zanussi afloat in September, but this depends on a complete consensus agreement among all Zanussi creditor banks and is unlikely to progress without a resolution of the foreign bank problem.

Hans Werthen, Electrolux chairman

A resolution of the Zanussi crisis had been hoped for as long ago as June, but foreign banks have put up stiff resistance to the Electrolux proposal for a lump sum repayment of part of the debt. The foreign banks complain that they are being treated unfairly as Italian banks are not having to take a write-off and are lowering interest rates over seven years instead.

Electrolux has in recent days improved on its original offer to foreign banks that it repay only 70 per cent of the debt, but this is not enough for some banks.

Among the foreign bank creditors are Gulf International Bank, NatWest, Mitsubishi Bank, Hongkong and Shanghai Bank, Indosuez Bank and UBAF bank.

Nova-Park finance plan is postponed

By John Wicks in Zurich

FINAL reorganisation plans for the loss-making Swiss hotel group Nova-Park, as well as a decision on who should control the group, were further delayed yesterday when an extraordinary general meeting was cancelled at short notice.

The meeting, which had already been postponed from September 14, was called off at the wish of Mr S. Paul, the company's chairman, and of "various shareholders." A new planning team, which includes the Swiss Fidinam group, is to work out what are called concrete reorganisation recommendations for presentation to a shareholders' meeting "to be held shortly."

The postponement of the meeting means that it remains unclear whether Nova-Park founder Mr Renè Hatt will retain control of the company. Mr Hatt, who recently ousted a management team appointed in April, has a 51 per cent voting share, though this is subject to a lien of the Tunis International Bank of Cairo.

The company, whose net indebtedness exceeds SwFr 100m ($39m), has been the subject of tough in-fighting since Dr Artur Bezzola was called in to replace Mr Hatt as managing director in April. Mr Hatt was voted back as managing director on August 20 and, together with the reconstituted board, has now succeeded in obtaining a court injunction banning the activity of a company set up by Dr Bezzola and his supporters to run the group's Zurich hotel.

The whole matter remains extremely confused, however Mr Hatt's reappointment as managing director of the holding company Nova-Park AG has not yet been gazetted. Also, the major creditor – the German company Deutsche Anlagen Leasing – is currently negotiating the sale of the Elysèe hotel in Paris and the as yet uncompleted Nova-Park Gotham in New York.

Credit data pledge by Swiss

By Maggie Urry

THE MAIN Swiss banks have agreed to give investors more information about the companies which issue debt through private placements. Unlike public issues, the lead manager of a private placement is not obliged to give buyers details of the borrowers' activities, size, balance sheet or profit record.

The Swiss National Bank has been concerned that investors have not had sufficient information to make a judgment about a borrower's credit standing. Some investors buy issues because they assume that the bank involved has made an assessment of the credit risk.

The problem particularly arises in the case of the smaller Japanese companies about which little is known among private investors. In the case of convertible issues, the buyer has to make a judgment about the shares as well as on the borrower's credit risk.

Many of the bigger banks have already been giving investors the information which the Swiss Bankers' Association is now asking all lead managers to offer. The move is purely voluntary.

Canadian dealers seek to curb foreign share in securities trade

BY BERNARD SIMON IN TORONTO

CANADA's investment dealers have asked the authorities to resist pressures for growing foreign participation in the securities industry and to maintain a strict separation between the functions of domestic financial institutions.

In a report to the Ontario Securities Commission, which is examining the competitive position of the securities industry, the country's four stock exchanges and the investment dealers' association urged provincial and federal governments to play a more active role in preventing outsiders from gaining "a position of influence" in securities firms.

Mr Ted Medland, chief executive of Wood Gundy and chairman of the joint industry committee, said yesterday: "We need a strong domestic securities industry which will allow us to compete internationally." He said that Canada's position as a user rather than an exporter of capital meant that deregulation of its financial markets should not be allowed to proceed at the same pace as in the U.S. and Britain.

The committee proposes maintaining present restrictions in Ontario which limit holdings of individual non-residents in a securities firm to 10 per cent. It however recommends a slight adaptation to allow foreigners to gain access to securities firms' income through the limited purchase of non-voting shares.

The securities industry urges that all firms acting as market intermediaries in Canada should register with regulatory agencies and comply with capital requirements and ownership restrictions. Exemptions have allowed increasing participation by non-registered companies in private placements and other transactions traditionally reserved for investment dealers.

Almost half the securities issued in Ontario in the past four years have been done outside the regulatory framework. Mr Medland said that the proportion would eventually reach 75 per cent.

Investment dealers appear to have the most to lose from deregulation. Their assets total about C$9bn ($6.9bn) compared to C$369bn for the chartered banks and C$53bn for trust companies. They have only 450 branches against the banks' network of 7,000 branches.

Italian bank reports 19% profits rise

By Alan Friedman in Milan

CREDITO Italiano, Italy's Milan-based fourth largest bank, increased its net profits by 19 per cent in the first half of this year, to L30.8bn ($16.18m). The bank, which is the third of the IRI-controlled state banks to report its first half results, said its total deposits increased by 15.8 per cent during the 12-month period to June 30 to L30.57bn. Credito Italiano has 482 branches in Italy and employs a staff of 17,040.

The Rome-based Banco di Roma recently reported first half income of L17.3bn against L16.1bn in the first half of 1983. Earlier this week the Milan-based Banca commercial Italiana announced a 59 per cent jump in net earnings for the first half to L40.8bn.

National Starch plans assault on Europe

BY CARLA RAPOPORT IN LONDON

NATIONAL STARCH and Chemical, the U.S.-based group owned by Unilever, is planning a big assault on the $1bn a year European starch market through a comprehensive reorganisation of its European activities.

As the first phase of the reorganisation, National Starch has dissolved its 22-year-old joint venture with Roquette-National of France.

The group will distribute its products throughout Europe under its own name for the first time. National Starch primarily sells special starches to the food, paper, paperboard and corrugating industries.

Under the reorganisation, National's Manchester-based UK subsidiary, Laing National, will trade under the name of National Starch and Chemical.

In addition, the group will be opening offices in Barcelona and Milan

Reshuffle at Citicorp

BY OUR NEW YORK STAFF

MR JOHN REED, new chairman of Citicorp, the U.S. banking group, has announced a senior management reshuffle.

Mr Edwin Hoffman, 42, and formerly head of Citicorp's western hemisphere consumer activities, including the acquisition of savings and loans companies in California, is to become group executive for Latin America

Mr. Richard Braddock, 43, will take over Mr Hoffman's responsibilities, while retaining his job as head of the New York banking division, its credit and entertainment card activities and its travellers' cheque business.

Underscoring the importance of the Latin American debt situation to Citicorp, Mr William Rhodes, 48, who has played the leading role among the commercial banks in debt rescheduling talks, has been given a new position as chairman of Citicorp's restructuring committee.

Mr James Farley, formerly in charge of corporate banking in Latin America, is to become vice-chairman with responsbility for supervising foreign debt restructuring.

Preussag unit to dispose of lead smelter

By Our Financial Staff

PREUSSAG Metal, a Canadian offshoot of the West German metals, chemicals and construction group, is to sell its lossmaking secondary lead smelter near Montreal.

The smelter is being acquired by Nova Pb, a company backed by a group of shareholders headed by Mr Robert Lavigne, the Preussag Metals president.

The smelter, at Ville St Catherine, has involved Preussag in losses of more than DM 100m ($32.4m). It took a 50 per cent share in the smelter in 1978 and raised this to full control three years later by buying out its former partner, the Singermann group.

Nova will take over all of Preussag Metal's assets. The company has a capital of C$19m (U.S.$14.5m).

The smelter, which has annual capacity of 40,000 tonnes, reduced group profits last year by "something under" DM 80m, half of which were losses on current operations, Preussag said.

Preussag, which this time last year tapped shareholders for DM 195m through a rights issue, reported a steady recovery in profits in 1983 and recently announced a strong start to earnings in the current year.

U.S. COMPANY BRINGS BANKS AND INSURERS TOGETHER

Go-between in a novel market

BY PAUL TAYLOR IN NEW YORK

COMPETITION, deregulation and the interest rate structure have forced the U.S. banking and insurance industries into each others' arms over the past two years.

BankAmerica and several other big commercial U.S. bank holding companies are now selling insurance to their customers under agreements with outside vendors, and several insurance companies are offering banking products like certificates of deposit. Some U.S. thrift institutions have been able to sell life insurance offered by the Savings Bank Life Insurance Companies (SBLI) of New York, Massachusetts and Connecticut for some time, but SBLI policies are limited to $30,000.

Compu-Plan, a small company formed 18 months ago in Paramus, New Jersey, is hoping to fill the role of go-between linking the banking and insurance industries.

Mr Richard d'Agostino, Compu-Plan's president, believes his company has found a way to enable the smaller thrift institutions, savings and loan associations and savings banks, to compete on an equal footing for prized commission-fee income with their "big brothers," while providing established insurance companies with an alternative distribution structure. Despite its high-tech name, Compu-Plan uses an ordinary personal computer and a bank's own retrained staff to sell insurance products to bank customers.

It offers a turnkey insurance package based around an IBM personal computer – or compatible systems – and proprietory floppy disk software for thrift institutions. At present it is limited to New York and New Jersey, but there is potential in 38 states in the U.S., which allow such operations.

This is how the system works: Compu-Plan contracts as a general agent for a select group of insurance companies. Some 15 companies have been signed up for the scheme so far, including the Travelers Insurance Group and Royal Insurance of the UK.

Compu-Plan then offers these insurance products – contained on a regularly updated 5¼ inch IBM floppy disk – to thrift institutions along with training and marketing back-up.

When an institution signs on, it sets up a separate insurance subsidiary and pays $250 a person to have at least two of its employees to train and qualify as insurance agents. The upfront fee covers Compu-Plan's costs. So far, in 18 months of operations, 25 thrift institutions in New York State and New Jersey, including Goldome, the nation's second-largest savings bank with $11bn in assets and 75 offices in New York State, have signed on.

Compu-Plan provides back-up marketing and office services such as processing applications, medicals and record keeping. In return the insurance companies pay Compu-Plan between 20 and 30 per cent of the first-year premiums on all life insurance policies sold through its licencees and between 2 and 10 per cent of subsequent premiums. The savings institution also receives a commission on sales.

So far Compu-Plan has processed individual policies worth more than $500m (about 80 per cent of which were sold in the last year) and around 7,800 applications. The company has concentrated on selling a wide range of life policies and annuities although it plans to expand into other individual insurance products. "We are very flexible," says Mr d'Agostino, a former Aetna Life branch manager, who owns 18 per cent of the company's 2.7m shares. He took it public last year.

"We have made mistakes," he admits. "The biggest problem in selling insurance in banks is teaching a bank how to be a marketeer." As a result the company has been forced to strengthen its marketing back-up.

Compu-Plan, however, is still in the development stage and Mr d'Agostino admits it has another crucial test to pass: achieving profitability. In its 1983 fiscal year to the end of September the company lost $589,694 on commission revenues of $303.45m.

Losses are running at about $30 000 a month but Mr d'Agostino predicts that Compu-Plan will break into the black by December – aided by a first round of cost-cutting measures.

Wong Sulong examines the U.S.$1bn bank rescue launched by the Malaysian Government

Bank Bumiputra moves to lay the Carrian ghost

THE MALAYSIAN Government last week unveiled a 2.5bn ringgit (U.S.$1.07bn) rescue scheme for Bank Bumiputra, the country's largest bank. Clearly it now hopes for an end to the uncertainty that has dogged the bank since he revelations in early 1983 that it was a major creditor to a number of failing Hong Kong property companies.

As one of the key institutions charged with implementing Malaysia's New Economic Policy —which promises that indigenous Malays (Bumiputras) will own 30 per cent of the country's corporate wealth by 1990—Bank Bumiputra's problems very quickly became those of the Government.

The package—aimed at preventing the bank from sinking under the weight of the problem loans it made to Hong Kong property developers — is seen in Kuala Lumpur as probably the best that can be made of a bad situation.

The financial community is much relieved that, finally, the Government has acted to remove a potentially destablising factor from the country's banking system.

The deal, as announced by Daim Zainuddin, the recently appointed Finance Minister, contains three basic elements:

- Petronas, the state oil company, will inject 2.5bn ringgit (U.S.$1.07bn) into the bank in return for a 90 per cent stake. The remaining 10 per cent will remain Government-owned.
- Bank Bumiputra will write off 1bn ringgit of its 2.3bn ringgit of problem loans—the rest of the loans will be transferred to Petronas.
- Permodalan Nasional Berhad (PNB), the investment agency that acts on behalf of the country's indigenous Malay population, will sell its 86 per cent stake in the bank for 933m ringgit. It will then buy 30 per cent of Malayan Banking, the country's second largest bank, from Bank Bumiputra for 729m ringgit.

However, not all agree that the solution is the most equitable. "Ordering Petronas to come up with the money is no doubt the easiest and most effective way to clear up the mess, but it is by no means an equitable or honourable solution," comments one banker. Bank Bumiputra's shareholders —PNB and the Treasury—should bear the loss, he argues.

But such an approach was politically unacceptable. The Treasury would have suffered an acrimonious debate in Parliament with opposition members posing embarrassing questions as to why and how the loans were made in the first place. These are points the Government either cannot or will not answer.

One of the recurring themes of the scandals which sprang up around the Hong Kong loans has been the question of involvement of senior Malaysian politicians or their close associates, with Bumiputra Malaysia Finance, the bank's subsidiary in the colony. It was BMF which lent heavily to a number of Hong Kong property companies — most notable of which is the now collapsed Carrian Group.

Domestic concern

In order to defuse domestic concern over the probity of BMF's loan making, the Malaysian government earlier appointed a three-man internal committee at the bank to investigate the loans. The committee has so far filed an unpublished interim report on the basis of restricted terms of reference, and has achieved little in silencing rumour.

For PNB to have shouldered the burden of rescuing Bank Bumiputra would also have been unacceptable. Sums of the order required would have crippled its operations and led to a massive loss of confidence among its Malay investors. This would possibly have had wider implications as in view of PNB's role as the chosen vehicle for implementing the New Economic Policy.

On paper, PNB did take a big loss. If Bank Bumiputra had not been saddled with the Hong Kong loans (which were made in 1981-82, when PNB was increasing its stake in the bank), its 86 per cent in the bank would be worth about 2bn ringgit. Now, it has to settle for 30 per cent in Malayan Banking—with a market value of 500m ringgit—and 204m ringgit in cash.

PNB can console itself that it now has effective control of Malayan Banking. Its new stake plus an existing one of 7 per cent will give it that without the need to make a formal takeover bid.

As Tan Sri Aziz Taha, the Governor of the Central Bank, points out, the move of PNB into Malayan Banking means only that control over the country's second largest bank has shifted from one Government agency to another.

For Dr Mahatir, the Prime Minister, the timing of the rescue operation has been such as to minimise political fallout. After last May's conference of the ruling United Malays National Organisation, he is solidly in control of both Party and Government—and further, he now has, in Daim Zainuddin, a Finance Minister of his own choice.

Bad precedent

But there are fears that by bringing Petronas into the rescue scheme, a bad precedent may have been set. Since its formation 10 years ago the state oil company has been scrupulous about sticking to its charter, which charges it with responsibility for minding the country's oil and gas industries.

As a result, Petronas has avoided non-oil involvement—especially after seeing its Indonesian counterpart Pertamina come to grief a decade ago through such an expansion.

Should other public agencies run into financial problems they too, if they have political clout, may look for a helping hand from Petronas, and the oil company's funds are neither inexhaustible or necessarily best employed in rescue schemes, say the doubters.

But for Bank Bumiputra, at least, the nightmare is over. With shareholders' funds of 1.1bn ringgit it is now slimmer; and the Government is urging it to resume its original function of aiding Malays and to grow.

However, the rebuilding of the shattered morale of its staff and the restoring of confidence among the bank's customers will take time. Destined to remain a political institution, the danger of it being manipulated by politicians is an ever present one.

What many argue the bank now needs is a top team of professionals to put it back on course. Its present board, down to four from seven as a result of resignations, lacks anyone with a professional grounding in banking.

As far as the hunt for those to blame for the bad loans is concerned, there is, despite all assertions of the authorities, little sign of seriousness in pursuing the matter.

George Tan (left) carried Carrian from success to failure: Daim Zainuddin the newly appointed Malaysian Finance Minister, stands behind the Government shoring up of Bank Bumiputra

However, there is a cloud on this horizon in that when Mr George Tan, the Carrian chief, comes up for trial next month in Hong Kong, some incriminating matters may be revealed. The bank must hope that by then enough cleaning up has been done to prevent these having any effect on the current management team.

As no one on the Malaysian side has been charged with any offence, and the three directors and few senior officials directly involved have resigned, Malaysia is clearly hoping that it will soon be able to lay the ghost of Carrian.

INTERNATIONAL COMPANIES and FINANCE

Record year for securities houses

BY ROBERT COTTRELL IN TOKYO

AS JAPAN'S "big four" securities houses — Nomura, Daiwa, Nikko, and Yamaichi—approach their September 30 financial year end, analysts are confident that all four will produce record-breaking profits, and that their combined turnovers will have topped Y1,000bn ($4.1bn) for the first time ever.

Combined pre-tax profits for the parent companies only, before extraordinary items, are expected to total over Y340bn, some 30 per cent higher than in 1982-83. Nomura, the largest, is expected to report parent company profits of some Y134bn, up 10 per cent on last year's Y121.5bn.

The securities companies' resurgent profits put them in the same earnings league as Japan's "city" banks, the country's big mainstream commercial banks. Dai-Ichi Kangyo Bank, Japan's biggest in asset terms, reported profits before tax of Y135.7bn in the year to March 31, similar to those of Nomura.

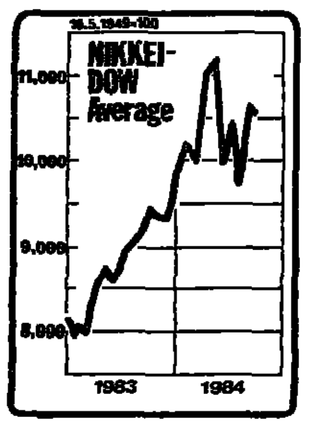
Nomura, Nikko, Daiwa, and Yamaichi handle between them roughly half of the trading on the Tokyo Stock Exchange, the second largest stock market in the wohld after Wall Street. Nomura alone is estimated to account for one-third of corporate bond trading in Japan.

Securities companies may also fear that they have been left slightly behind in the wave of deregulation now overtaking Japan's financial markets. The big four's bid to manage Japanese pension funds in partnership with U.S. banks has run into official opposition, though some system of advisory tie-ups is apparently still hoped for. Japanese brokers have also lost their de facto right to lead-manage Euroyen bond issues.

Further the U.S. government and, more discreetly, the UK, is asking the Japanese government to give foreign stockbrokers more access to the Japanese market and a Tokyo stock exchange seat rut otbe vacated by a Yamaichi subsidiary next spring may be sold to what would become the exchange's first foreign member—if an overseas house can be found willing to bid a probable US$5m or more for the privilege.

Perhaps most threateningly for the big four, some Japanese banks are urging Japan to introduce negotiated commissions on securities trading, in place of the present system of fixed commissions.

The securities companies are fighting back. They are expanding into international banking outside Japan and would dearly like banking liceneces in London, if the Bank of England would only agree. They are also introducing quasi - deposit accounts linked to government bond yields and establishing re-



mittance networks through Japan's many smaller regional banks who may share with the securities houses the view that the City Banks are their principle competition.

The 1983-84 financial year is the second of the fat years for the four: their combined profits near-doubled in 1982-83, as Japanese equities moved into the 20-month bull market which finally peaked in May this year. A buoyant market means higher turnover: in the first half of the security companies' current financial year, with the market indices still rising, daily average equity turnover in Tokyo was 14 per cent higher than in the preceding 12 months.

The securities houses may also have benefited this year from underwriting and management fees on the share and convertible bond issues made by many Japanese companies to capitalise on their high share prices. In the six months to the end of March 1984, for example, Japanese companies issued shares worth Y538bn, compared with Y739bn in the previous 12 months; and domestic bonds worth Y975bn in the year to March 31, against Y683bn in the previous year.

At present, however, the outlook for 1984-85 appears less buoyant. The Tokyo stock market's Nikkei-Dow Jones index, having touched its all-time high of 11,190.17 in May, has drifted uncertaintly through the summer, typically around the 10,500 mark. In particular, the psychologically-important foreign investors appear to have lost confidence in the market's upward momentum.

Kayaku to stop making interferon

By Carla Rapoport in London

NIPPON KAYAKU, the Japanese pharmaceutical group, has announced that it has given up commercial production of interferon because of its limited market use und its various side effects.

The company has cancelled a contract with North American Biological to buy interferon and has disposed of about Y430m ($1.75m) worth of stock.

The company is believed to have been working with natural interferon, as opposed to the genetically engineered product. Interferon is a substance that occurs naturally and acts as the body's first defence against viral infections. It was not clear yesterday whether the Japanese group was working with alpha or gamma interferon.

Dr Adrian Dawson, head of the medicines division of Biogen, the Swiss-based biotechnology group, said yesterday that Biogen's testing of gamma interferon continues to be "encouraging."

The group is in its second phase of testing interferon on specific tumours.

Fletcher Challenge almost trebles net profit

BY OUR FINANCIAL STAFF

FLETCHER CHALLENGE, New Zealand's largest company, almost trebled its earnings in the year to June 30 and retained profits plus funds from the 1983 rights issue will provide the company with adequate backing for a NZ$300m (US$146m) investment during 1984-85.

Net profit was a record NZ$131.3m compared with NZ$44.6m previously. According to Mr R. R. Trotter, Fletcher's chairman, the result from the group's New Zealland activities, "on a modified historical basis," were a contribution of NZ107m to overall net earnings, compared with the "inadequate" NZ$35m earned in 1982-83.

The group's North American unit, Crown Forest Industries (bought from Crown Zellerbach for around US$240m in late 1982), contributed NZ$24.2m against NZ9.9m in 1982-83.

The directors have decided to account for Crown on a 'normal operation basis" as from July 1, 1984. "This involves the write down of assets, cost restructuring and also ceasing tax effect accounting for Canada. No deferred income will then remain to be amortised." they said. Only a small contribution to 1984-85's results is expected from Crown said the company.

A final dividend of 11.5 cents is to be paid making 20 cents for the year against 17 cents previously. The board have indicated that a higher pay-out might have been made except for the New Zealand government's call for restraint on dividends.

As a result of the restrained dividend payment the group has retained profits of NZ$78m which together with increased shareholders funds of NZ$115m will back the proposed NZ$800m-plus new investment planned for the current year.

Turnover for the diversified forest products, building materials, and pulp and paper group rose to NZ$3.46bn, against NZ$2.36bn. North American sales were worth NZ$878m and those of New Zealand headquartered activities NZ$2.58bn, up 23 per cent. Sales on a commission basis not included in the overall total were valued at NZ$1.28bn compared with NZ$1.08bn before.

The group's long-term debt increased from NZ$835m to NZ$900m in the year although the ratio of debt to shareholders funds fell from 104 per cent to 94 per cent.

Fletcher Challenge has a market capitalisation of around NZ$850m.

Swiss Pirelli parent ahead

By John Wicks in Zurich

SOCIÉTÉ Internationale Pirelli, of Basle, reports a marked rise in net profits for the year ended June 30 from SwFr 34.3m to SwFr 41.8m ($16.3m). The Swiss concern is one of the parent companies of the Pirelli group; the other is the Italian based Pirelli SpA.

An unchanged dividend of SwFr 15 per cent and participation certificate will be recommended at the November 8 shareholders' meeting, together with the allocation of SwFr 7m to reserves.

Estimates of Japanese company results revised

TOKYO — Nikko Research Centre, which is associated with Nikko Securities, said that it had revised upwards its forecast for the increase in pre-tax profits by major Japanese companies' for the six months to March 1985.

It now believes profits will rise by an average of 17 per cent over the preceding six months. In June, it forecast a 13.6 per cent increase.

However, Nikko said that pre-tax profits in the six months to September 30 are now expected to fall by 6.1 per cent over the preceding six months, compared with the 5.5 per cent fall predicted in June.

Nikko attributed the expected steeper fall in profits in the current six months to large foreign exchange losses suffered by oil and electric power companies.

It said pre-tax profit of companies excluding oil and electric power groups in the current six months will be up 2.8 per cent compared with a previously forecast 1.6 per cent rise.

Factors expected to boost profits in the following half year are a rise in the export price of steel, especially seamless steel pipes, increased demand for electronic appliances at home and abroad, and the yen's fall against the dollar.

The survey covered 555 companies listed on the Tokyo Stock Exchange but excluded banks, securities houses, and insurance companies.

● Foreign net buying of Japanese bonds, including Treasury bills, rose sharply in August to Y320bn from Y119.9bn in July and Y4.6bn in June, according to the Securities Dealers Association.

Reuter

Canon lifts group sales and earnings at midway

TOKYO — Canon, the Japanese manufacturer of cameras and copiers, lifted group net income by 23.0 per cent to Y16.01bn ($65m) in the half year to June from Y13.02bn in the first half of 1983.

Pre-tax profits rose by 19.3 per cent to Y35.81bn from Y30.02bn on sales up by 23.1 per cent to Y379bn from Y307.9bn. Earnings per share came to Y31.74 compared with Y26.5.

Sales of office machines including, copiers and word processors, rose by 32.1 per cent to Y241.95bn, and those of optical equipment by 45.8 per cent to Y32.22bn. Cameras sales were only 2.2 per cent ahead at Y104.82bn.

Overseas sales were 24.1 per cent higher at Y267.13bn, while domestic sales increased by 20.7 per cent to Y111.87bn.

As previously reported, parent company net income advanced by 26.1 per cent to Y9.22bn, profits before tax by 17.7 per cent to Y17.44bn and sales by 29.7 per cent to Y222.34bn.

Canon's share price rose by Y20 to Y1,380 on the Tokyo Stock Exchange yesterday.

AP-DJ.

UK COMPANY NEWS

Tobacco upturn lifts BAT to £505m

OVER £500m was earned by BAT Industries in the first six months of 1984 and shareholders are being rewarded with a 20 per cent hike in the interim dividend.

All group activities, with the exception of retailing, achieved higher profits, resulting in an overall 45 per cent advance in BAT's taxable result from £345m to £505m.

The interim dividend is up by 0.675p to 4.05p, and Mr Patrick Sheehy, group chairman, has hinted that the final payment will also be increased. He expects, provided there are no major adverse exchange rate movements, a strong increase in full year profits "to the benefit of shareholders' dividends."

Stated earnings per share climbed by 44 per cent from 13.05p to 18.73p.

Tobacco, the largest profit contributor, notched up a 46 per cent rise to £331m at the trading level, reflecting a recovery from the problems experienced in the corresponding period and a small increase in the number of cigarettes sold.

Brown & Williamson's trading profit rose by 62 per cent in dollar terms as a result of price increases and improved productivity, while its market share showed signs of stabilising.

After 18 months of disruption the West German market continued its return to more profitable rading and an increase in market share was achieved.

Brazil was affected by difficult economic conditions, but Souza Cruz, managed to maintain market share and with buoyant leaf exports improved profits. Venezuela and the Far East also contributed to the overall increase.

Paper activities again produced good results with a £21m profit increase to £76m. Appleton performed well and Wiggins Teape made a further advance in the UK, although its margins both at home and in Europe came under pressure.

Retailing turnover in the U.S. increased but this did not flow through to profits. There was some overstocking in the industry and margins were generally reduced to clear excessive inventories.

In the UK, however, retailing showed further progress in both Argos and International Stores, and West German activities have been expanded through the acquisition, in August, of a controlling interest in the Horten department store chain.

These are the first results to be reported since BAT acquired Eagle Star Holdings, establishing financial services as a fourth major business area.

While both life and general business premiums and investment income improved, there were increases in claims and overall profit from insurance operations was lower.

Elsewhere, Mardon Packaging returned higher profits but home improvements and cosmetics faced specific problem and did less well.

Associated companies turned in £70m, against £38m, with a good performance, in particular, by Imasco, engaged on drug stores, restaurants, and has 50 per cent of the Canadian cigarette market.

The results of overseas subsidiaries have been translated into sterling at the rates of exchange prevailing on September 3, when sterling was at U.S.$1.3030 and DM 3.795. Had the same exchange rates ruled as at December 31 last then group taxable profits would have amounted to £470m and turnover £5.6bn.

Group turnover for the first six months was 10 per cent up at £5.96bn, against £5.41bn, and pre-tax profits were struck after higher interest payments of £49m (£25m), reflecting the cost of financing the Eagle Star acquisition.

Looking to the remainder of the year, Mr Sheehy expects tobacco results to be well ahead, although without the marked improvement achieved in the second half of 1983.

The highly seasonal nature of retailing makes firm predictions unwise in advance of the important final quarter, he points out but says that strong U.S. consumer spending is expected to continue and be reflected in the second half performance.

Paper should also be an important contributor to trading profits as further progress is made i nthe U.S. and UK.

He also expects Eagle Sta to improve on its first half contribution.

Mr Patrick Sheehy, chairman of BAT Industries.

The large disparity in group performance between the first and second halves of 1983 will not be repeated this year, says Mr Sheehy. In the second six months of 1983 BAT made taxable profits of £631m on turnover of £6.44bn and paid a final dividend of 4.875p.

● *The Wiggins Teape Group*, a BAT subsidiary, achieved taxable profits of £23.9m, against £17.6m, in the first half of 1984 on turnover of £386.2m (£339.9m).

BAT Stores, another subsidiary, pushed its taxble profits up fro m£4.14m to £9.09m on turnover of £411.73m (£404.05m).

See Lex

Eagle Star down 17% at £29m

Eagle Star Holdings, now a subsidiary of BAT reports a surplus before tax of £29m compared with £34.9m at the interim stage last year—a drop of 17 per cent. The after-tax surplus declined nearly 19 per cent from £21.3m to £17.4m.

Investment income rose by 22 per cent in sterling terms from £52.2m to £63.9m the underlying increase allowing for currency movements and special items heing 10 per cent. Shareholders' life profits improved from £8.6m to £10.2m, while the profits from the industrial subsidiary, Grovewood Securities, rose nearly one-third from £8m to £10.5m.

However, these improvements were offset by a two-thirds jump in underwriting losses from £32.2m to £53.8m, almost all of this increase coming from Eagle Star's UK operations.

The group's worldwide general insurance premium income rose nearly 14 per cent in sterling terms from £286m to £325.2m with steady growth in both the UK and the various overseas operations.

Premium income in the UK rose by 13 per cent to £177m, but underwriting losses nearly doubled to 546.1m. Although there has been some hardening of premium rates, increased underwriting losses were recorded in all major sectors.

The property account has been hit by the severe winter weather, which cost £13m in adverse weather claims, of which £8m has been assigned to the 1984 figures, and an increase of over 30 per cent in the number of claims from subsidence.

Premium income in the major motor account is rising, but so is the number and cost cf claims. The major liability account has been hit by increasing number of claims, particularly those relating to industrial deafness.

New life business in the period saw new annual premiums on worldwide business drop from £27.7m to £25.6m, with overseas growth more than offset by a drop in UK new annual premiums from £21.4m to £16.6m. Single premiums worldwide improved from £48.6m to £77.7m, of which the UK business rose from £43.6m to £61.1m.

Jones & Shipman in profit

Jones & Shipman, Leicester-based maker of high precision machine tools, returned to the black *in the six months to June* 30, 1984 with a pre-tax profit of £201,000, as against a £643,000 loss last time. Turnover increased from ...6.21m to £7.88m.

Orders during the year to date are some 58 per cent higher in value than the low level of the same period last year. There is however, still strong competition in most overseas markets, with a consequent pressure on selling *prices, Demand in the UK* remains subdued.

Assuming the recovery in order intake is sustained, the company anticipates that results for the full year will show further progress towards an acceptable return on capital employed.

There is again no tax charge and no UK charge is expected to arise in 1984 owing to the availability of losses brought forward. Earnings per 25p share were 1.7p (5.4p losses) and the interim dividend is restored at 1p net, of whic h0.5p is a special payment.

The special payment is being made in order to take advantage of a limited opportunity, whereby the company is able to offset the Advance Corporation Tax related to dividends paid before the end of 1984, against *tax paid in an earlier year.*

This special portion of the interim will be taken into consideratn ioin the recommendation of any final dividend for the year. Last year's final was 1p.

The special payment arises from a clause in the 1984 Finance Act. That clause extended the period in which ACT can be recovered against previous profits from two to six years.

The group had already absorbed the avilable profits from 1980 and 1981 in the two subsequent loss-making years, but the Finance Act now means that the balance of £325,000 of available tax liabilities arising in respert of 1978 can be set against the £120,000 net cost of this year's interim dividend. The ACT recoverable will only be £51,428, the finance director, Mr Edgar Watts, said yesterday, "and the residue is unfortunaely lost forever."

There was no question, he stressed, tha tthe group would nay an enlarged interim dividend merely to absorb the whole of the pool of taxble profits from 1978. The level of distribution would be dictated b ythe group's trading outlook and its working capital needs.

He estimated that Jones & Shipman had some £2.5m of trading losses to offset against future profits and the group would be carrying forward ACT on future dividends until it incurred a mainstream tax liability. That, the finance director felt, could be another two or three years.

He felt that other companies would use this clause where their six year track record of profits, succeeded by heavy losses and finally by a return to profitability an da resumption of dividend payments, provided special distribution opportunities.

HB Electronic on target

A "very high" order book carried into 1984 together with strong *market requirements* enabled HB Electronic Components to lift pre-tax profits from £77,000 to £120,000 in the six months to July 1, 1984.

The group has entered the second half with orders quite sufficient to achieve its sales target for the whole year—at midyear sales were ahead at £2.3m (£1.54m).

The interim dividend is raised *to 0.5p (0.42p) net. Shares are* traded on the USM. The ultimate holding company is W. Canning.

Armstrong Equipment turnround to £2.5m

THE SECOND half of 1983-84 saw continued improvement in operating efficiency at Armstrong Equipment, engineering group. This resulted in a swing round from £1.1m losses to pre-tax profits of £2.51m for the 12 months ended July 1, 1984, which was in line with projections.

Further significant gains in operating efficiency and profitability are projected for 1984-85. A final dividend of 0.4p net raises the total payment to 0.6p per 10p share, against a single final of 0.1p last year.

At the interim stage, the group reported a pre-tax surplus of £1.06m (£1.23m losses). The directors said that with all divisions trading profitably, it was anticipated that there would be further improvements in the second half.

Sales for the 12 months improved slightly from £110.1m to £114.28m. Trading profits increased from £2.96m to £5.76m, but pre-tax figures were struck after interest payable of £3.25m (£4.06m). Tax charge was £20,000 higher at £721,000, leaving net profits of £1.79m, against £1.8m losses. Earnings per share were 4.76p (3.54p losses).

Extraordinary charges showed a sharp reduction from £3.45m to £0.19m, while minorities accounted for £45,000 (£21,000)

Within the UK, the four operating companies comprising the fastenings division continued their steady improvement in profitability, while the light engineering division also made progress. The automotive components side maintained its momentum in the second half.

Shareholders' funds at the year end improved from £35.93m to £36.68m.

● comment

Armstrong Equipment has been forced to cut and cut again to survive the recession, and the reductions are not quite complete since the closedown of the Blackheath Stampings subsidiary has just been announced. These measures have had an increasing impact on profitability—last year automotive components made significant profits, fasteners was also in the black and light engineering losses were reduced and have now been eliminated. *Overseas*, the disposal of the loss-making Australian subsidiary was offset by the sale (to raise cash) of the profitable South African operations, but the Spanish companies are well placed to take advantage of a rapidly-growing car market. Overall, net borrowings are down from £24m to £16m. Armstrong then is smaller but more solid than it was in the 1970s and able now to compete with *Continental rivals. However, it* is still highly dependent on the motor industry, whcb provides about 70 per cent of sales. Nevertheless, the shares, down ½p to 30½p, under-rate Armstrong's prospects. The group should make £5m pre-tax this year, which, on a 20 per cent tax charge, puts the share on a multiple of only 4¼.

Newman Inds. up but less buoyant second half seen

Newman Industries, the subject of a refinancing package in March 1983, saw its profits before tax improve from £1.59m to £2.75m over the first six months of 1984.

However, while the directors consider the overall result to be satisfactory, they point out that the current economic climate and its effect on supplies together with interest rates are affecting the outlook and trading is not expected to be as favourable in the second half.

First-half turnover advanved group's pricipal activities are in from £35.8m to £41.67m—the the manufacture and marketing of engineered assembly systems, electric motors, castings and cooling equipment.

The Avdell division performed especially well with both volume and margin being enhanced by the investment programme started in 1983.

This programme is continuing at an increased rate to maintain and further improve the competitive position of Avdel in the market place.

Although volume is increased, the engineering division is only now showing some of the planned improvement in a "spasmodic and competitive" market with prices and margins at a low level.

In electric motors, where major export contracts were completed *early in the year*, difficulties remain. Meanwhile, the reconstruction programme is continuing.

Pre-tax profits were struck after taking account of interest charges of £1.12m, compared with £1.36m. Tax absorbed £1.15m, against £546,000.

Earnings per share moved up from 1.1p to 1.7p fully diluted.

● comment

It is Newman's misfortunie to be known as much for its improbably lurid history as for its products. These figures, though, seem to suggest further that the dreadfully hard work of rescue and reconstruction was worth while. Avdel—still by far the biggest profit contributor—*looks set to improve* throughout the rest of the year. Both the engineering and electric motors divisions, though, are under pressure from weak demand, in the latter case particularly in the export markets of the Middle East and Nigeria. Other question marks consist of the level of interest rates (it is unlikely that gearing will fall much below its near-100 per cent level this year), and the miners' strike, which is *disturbing* coke supplies to the group's foundries. But although the second half should produce slower profits growth than the first, the full year total should still be comfortably ahead of last year's £3.6m pre-tax. A far cry, still, from the 1978 peak of £6.2m.

Charterhouse sets up new fund

Charterhouse J. Rothschild has set up an offshore open ended investment fund which it intends to invest in Japanese securities for long term capital appreciation.

It is offering 2m Japan Fund capital shares of U.S.10 cents each at U.S.$10 per share payable in full on application. *List for* the offer open on September 25 and may be closed at any time on October 3 1984.

Mr Richard Thornton, chairman of the fund and a director of Charterhouse J. Rothschild, has many years of experience in inevstment in the Pacific area. He is backed by a team from his former company GT.

Charterhouse forecasts that corporate profits in Japan will increase by 18.5 per cent in the year to March 1985, a larger rise than last year's 14.4 per cent. "This is exactly the right time to launch the fund with the yen neatly perched between the weak sterling and strong dollar," said *Mr Thornton.*

The investment team will concentrate on "ascertainable new technologies" where Mr Thornton believes Japan has taken the lead from the U.S. These include areas of biotechnology, robotics and automation, in both quoted and unquoted companies. It will, however, concentrate mainly on marketable securities.

The annual management fee is 1.5 per cent which is on the high side, but Mr Thornton justifies on the strength of the investment team which will undertake considerable organised research in Japan. There is a front-end charge of 5 per cent.

Dividend income is not likely to be significant as the emphasis is on capital appreciation. At least 85 per cent of net income will be distributed.

The fund has applied for a listing of its shares on the stock exchange. Cazenove are brokers to the offer.

Hugh Mackay

Turnover of Durham-based carpet manufacturer, Hugh Mackay, rose by £1.17m to £6.47m in the half year to June 30, 1984, and pre-tax profits advanced from £102,000 to £163,000.

The directors say it is encouraging to see increased volumes from all the company's markets, particularly the EEC. *This high level of activity*, anticipated at the beginning of the year, shows every sign of continuing and perhaps increasing, thus repeating the trading cycle of recent years.

Earnings per 25p share increased from 0.99p to 1.35p and the interim dividend is maintained at 1.4p net—last year's total was 4p.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corre-sponding div.	Total for year	Total last year
Armstrong Equipment...	0.4	Nov 12	0.1	0.6	0.1
Ben Bailey	1	—	0.8	1.8	1.2
BAT Industries ......int	4.05	Nov 16	3.38	—	8.25
Barrow Hepburn ......int	0.8	Nov 2	0.8	—	2.2
Britannia Arrow ......int	1.1	Nov 15	1	—	2.2
British Syphon.........int	1.25	Nov 5	nil	—	1
Cakebread Robey ...int	0.8	Jan 7	0.8	—	3
Coats Patons ....int	1.65	Dec 31	1.5	—	4.7
Cooper Industries ...int	*0.3*	*Jan 7*	*0.5¶*	—	0.5¶
J. Folkes Hefo ....int	0.35	Nov 15	0.35	—	1.25
Jones & Shipman......int	1‖	Oct 26	nil	—	1
Juliana's Holdings ...int	1.1	Nov 30	0.7*	—	1.75*
Hugh Mackay ....int	1.4	Nov 16	1.4	—	4
McLaughln & Hrvy‡ int	2	—	2	—	7
Owen Owen ....int	1	Dec 3	1	—	3.3
Protimeter‡	0.7	Nov 20	—	0.7	—
Rio Tinto-Zinc ....int	6.5†	Jan 2	6	—	18
E. T. Sutherland‡ ...int	1.33**	Nov 16	—	—	0.13
Trafford Park	6	Nov 15	6	9.5	9.25

Dividends shown pence per share net except where otherwise stated. * Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ USM stock. § Unquoted stock. ¶ For nine months to January 31, 1984. ‖ Includes 0.5p special payment. ** 2p final forecast.

هكذا صدر الأصل

A B.A.T Industries Report
Extracts from the interim results for the six months to 30th June 1984

"I foresee a strong increase in pre-tax profit."

I am very pleased to report a strong performance by the Group in the first half of 1984, continuing the pronounced improvement that began in the second half of last year.

At £5,955 million, Group *turnover in the six months* to June was 10 per cent higher than in the comparable period of 1983. Pre-tax profit was 45 per cent higher at £505 million, and attributable profit increased by 44 per cent to £274 million.

In the light of this record of sound underlying growth assisted to some extent by exchange rate movements, the Board has declared an interim dividend of 4·05 pence per share, an increase of 20 per cent on last year's figure.

The substantial improvement in **tobacco** profit reflects a sharp recovery from the problems that affected our business in the first half of 1983, and the total number of cigarettes sold by the Group and its Associates showed a small increase. Brown & Williamson's trading profit rose by 62 per cent in dollar terms as a result of price increases and improved productivity, while its market share showed signs of stabilising. After eighteen months of disruption the West German market continued its encouraging return to more profitable trading and our company increased its market share. Brazil was affected by difficult economic conditions, but Souza Cruz maintained its market share and, as a result of buoyant leaf exports, improved its profits. Venezuela and the Far East made important contributions to the overall improvement.

Retailing in the USA showed an encouraging increase in turnover but it is disappointing that this did not flow through into profits. There was some overstocking throughout the industry and margins were generally reduced to clear excessive inventories. UK retailing showed further progress in both Argos and International Stores. Our West German activities have been expanded by the acquisition in August of a controlling interest in the Horten chain of department stores.

Paper again showed excellent results. There was another sparkling performance from Appleton. This will be reinforced by the more recent acquisition of a large paper mill in Ohio. Wiggins Teape made a further strong advance in the UK although its margins here and in continental Europe came under pressure.

These are the first results to be reported since we acquired Eagle Star, to establish **financial services** as our fourth major business area. Both life and general business premiums increased substantially, as did investment income. But in common with many other companies we had to face increases in claims, and the overall profit from insurance operations was down. Grovewood Securities turned in sharply higher profits and the Eagle Star Holdings PLC group pre-tax profit for the period amounted to £29 million.

Mardon Packaging achieved a large profit increase. Home improvements and cosmetics faced specific problems and did less well.

There was once again a splendid performance by our associated companies, notably Imasco.

PROSPECTS

I told the Annual General Meeting in May that I expected *our four main businesses to contribute to another record year* for the Group. These first-half results support my confidence.

The tobacco business should produce results well ahead of last year's, although without the marked second-half improvement that was seen in 1983.

The highly seasonal nature of retailing makes firm predictions unwise in advance of the important final quarter. However, I expect strong US consumer spending to continue and to be reflected in our second-half performance.

Paper will also be an important contributor to the increase in total trading profit as further good progress is made in the USA and UK.

Earnings of Eagle Star Holdings should be substantially higher than in the first half of 1984.

I must point out that the large disparity in Group performance between the first and second halves of 1983 will not be repeated this year, when I expect the difference between the two periods to be less pronounced.

Provided there are no major adverse exchange rate movements between now and the year-end, I foresee a strong increase for the year in pre-tax profit to the benefit of shareholders' dividends.

PATRICK SHEEHY, Chairman

GROUP RESULTS

(unaudited)	Half year to 30.6.84 £ millions	Half year to 30.6.83 £ millions	% change over June 1983	Half year to 31.12.83 £ millions
Turnover:				
Commercial activities	5,955	5,410	+10	6,436
Financial services	519	–		–
Trading profit from commercial activities	466	335	+39	516
Profit before taxation from financial services	18			
Share of associated companies' profit before taxation	70	38	+84	87
Operating profit	554	373	+49	603
Net interest	(49)	(25)	+96	28
Profit on ordinary activities before taxation	505	348	+45	631
Taxation on ordinary activities	(201)	(136)	+48	(237)
Profit on ordinary activities after taxation	304	212	+43	394
Attributable to minority shareholders	(30)	(22)	+36	(37)
Attributable to B.A.T Industries	274	190	+44	357
Earnings per share	18·732p	13·050p	+44	24·519p

1. The results of the Eagle Star Holdings PLC group have been included from its acquisition on 18 January 1984. The insurance businesses of the group are shown as financial services and Grovewood Securities is included in commercial activities.
2. Turnover for commercial activities includes duty and excise taxes. Turnover for financial services comprises life and general business net premium income.
3. Associated companies. The Group's share of the profits of these companies has been included on the basis of the latest information published by the companies.

DIVIDENDS

The Directors declared today, for payment on 16 November 1984, an interim dividend out of the profit for the twelve months to 31 December 1984 at the rate of 4·05p per share on the Ordinary Shares (1983:3·375p). The cost of this interim dividend amounts to £59 million (1983:£49 million).
Transfers received in order by the Registrar of the Company up to 18 October 1984 will be in time to be passed for payment of the interim dividend.
The final dividend will be paid at the beginning of July 1985.

INDUSTRIAL ANALYSIS

	Half year to 30.6.84 £ millions	Half year to 30.6.83 £ millions	% change over June 1983	Half year to 31.12.83 £ millions
Turnover				
Tobacco	2,992	2,819	+6	3,319
Retailing	1,597	1,524	+5	2,004
Paper	644	530	+22	521
Packaging & printing	306	263	+16	274
Other trading activities	416	274	+52	318
Commercial activities	5,955	5,410	+10	6,436
Financial services	519	–		–
Profit				
Tobacco	331	226	+46	316
Retailing	28	29	–3	136
Paper	76	55	+38	45
Packaging & printing	15	11	+36	13
Other trading activities	16	14	+14	6
Commercial activities	466	335	+39	516
Financial services	18			
Associated companies	70	38	+84	87
Operating profit	554	373	+49	603
Net interest	(49)	(25)	+96	28
Profit before taxation	505	348	+45	631

1. The contribution to operating profit from financial services includes interest and investment income on the insurance activity as this forms an integral part of the operations of this business.
2. Group central costs are charged in other trading activities.

Exchange rate effects

The results of overseas subsidiaries have been translated into sterling for the purpose of this report at rates of exchange ruling on 3 September 1984 (the latest convenient date), when sterling was at US dollar 1·3030 and Dm 3·795. Exceptions are made for high inflation countries where an estimated year-end rate is used. Comparative figures have been translated at rates ruling on 31 December 1983.
Had the same exchange rates ruled on 3 September 1984 as at 31 December 1983, it is estimated that the figures given in the Group Results would have read:

	Half year to 30.6.84 £ millions	% change over June 1983
Turnover: commercial activities	5,600	+4
Operating profit	520	+39
Profit before taxation	470	+35
Net profit attributable to B.A.T Industries	253	+33

These estimated figures do not include devaluations of the Brazilian cruzeiro and the Argentine peso against the US dollar to the extent that these devaluations represent the relative decline of the purchasing power of these currencies.

INDUSTRIAL REVIEWS

TOBACCO

With the major problems encountered in the first half of 1983 substantially eased, the decline in Group volume was largely arrested. Total sales volume of subsidiaries was down by 1·5 per cent but, with the inclusion of associated companies, volume showed a small increase, despite withdrawal from the UK market and a further fall in consumption in Brazil.

In the US domestic market, total volume declined, but Brown & Williamson's market share showed signs of stabilising at slightly below the 1983 level. Cigarette export volumes declined but share of that market increased. Brown & Williamson's trading profit rose by 62 per cent in dollars as a result of higher domestic and export prices, lower leaf and marketing costs, and further improvements in production efficiencies.

Domestic sales of BAT (UK and Export) declined with the ending of direct distribution, but with consequent elimination of last year's trading losses. Although price increases and a strong dollar benefited turnover, export volume and turnover fell as a result of problems in certain traditional markets. Trading profit was thus depressed, and further affected by higher costs of leaf.

In West Germany, the industry's traditional higher priced brands continued their recovery at the expense of generic and low priced brands, reaching 85 per cent market share by the end of the period. This trend benefited BAT Cigarettenfabriken which, in a market where sales rose by 3·5 per cent, increased volume by 10 per cent with a consequent improvement in market share of 1·6 percentage points to 25·4 per cent. Trading profits showed a significant recovery from last year's depressed level.

Volume in the rest of continental Europe was adversely affected by price increases, but market share improved as a result of the continuing strong performance of Barclay. Trading profit reflected the decline in volume.

The Brazilian market continued to be affected by severe recessionary conditions and volume declined by 3 per cent. Souza Cruz maintained market share despite strong competitive downtrading, but profits were depressed by price increases below the level of inflation. This was more than offset by the continuing strong performance of leaf exports, which are priced in dollars and are now exempt from the export taxes levied in 1983.

In the rest of Latin America, cigarette sales and profits showed substantial increases. In Venezuela, a sharply increased share of a growing market brought higher trading profits. Trading profits in Chile improved substantially on higher sales and prices. In Argentina, Nobleza-Piccardo's sales increased by some 15 per cent but re-imposition of price controls hit trading profit. Most companies in Central America and the Caribbean showed good improvements in volume, turnover and profits.

Sales and trading profits increased in Asia. In Malaysia, profitability improved following an April price increase and cost reductions. Profits in Hong Kong rose as exports to China increased substantially. Volume and profits declined in Singapore and Indonesia, but Pakistan and Sri Lanka increased profits.

Improved results of a number of companies in Africa were more than offset by a substantial fall in profits in Nigeria, where lack of foreign exchange for purchase of raw materials restricted production.

RETAILING

Turnover for the continuing BATUS Retail businesses showed a particularly strong growth of 10 per cent, reflecting confidence in the US economy and an upward trend in consumer spending. Important contributions to turnover growth came from Saks Fifth Avenue, Gimbels-Milwaukee, Kohl's Department Stores, Thimbles, Breuner's and the Ivey's companies in the Carolinas and Florida.

Saks had four more stores operating than in the comparable period of 1983. Kohl's continued its aggressive new store opening programme, and was operating seven more stores in addition to achieving substantial growth in existing stores. Gimbels produced higher turnover in the Mid-West and East.

Unfavourable weather earlier in the year resulted in excessive inventories throughout the industry but action in BATUS Retail has improved its situation. Trading profit did not match sales performance and showed a decline as a result of the highly competitive and promotional retailing environment affecting gross margins and trading expenses.

UK retailing continued to build on the improved 1983 results. International reported improved profits as a result of continued closing of small branches and the benefits of store refurbishment, changes in product mix and introduction of the own-label range.

Argos turnover increased by 24 per cent, partly as a result of the opening of 14 new showrooms in the last 12 months and a substantially higher catalogue circulation. Argos achieved a trading profit in the first half year substantially ahead of last year.

PAPER

In the buoyant North American market, Appleton Papers achieved another excellent performance with record sales volume and profits for the current period. Turnover rose by over 26 per cent, and share of the domestic carbonless copying paper market was further increased as domestic sales tonnage rose by 20 per cent. Trading profit was up by a third, reflecting increased sales tonnage, higher selling prices and further gains in production efficiency.

Wiggins Teape's sales were 14 per cent up in sterling terms with significant increases in most businesses, exports from the UK were 27 per cent ahead, and group trading profit increased by 21 per cent.

The improvement in the UK continued with an increase in profits of 60 per cent. A large rise in the price of woodpulp accentuated by the strength of the dollar, put margins under pressure in most manufacturing businesses but this was more than offset by higher export volumes and cost savings. Sales growth and results of the UK carbonless paper business showed particular improvement. Profits of the merchanting business doubled.

In Europe, sales of carbonless paper continued to grow strongly but higher costs, particularly of raw materials, caused profits to fall below the high level of the first half of 1983. The European merchanting businesses increased their sales and margins, and their profits were up by 60 per cent in local currency terms, with a particularly good performance in France.

FINANCIAL SERVICES

Eagle Star Holdings PLC was acquired on 18 January 1984 and its contribution to operating profit, excluding Grovewood Securities, was £18 million. The details of its insurance operations reported here compare its full January-June half years, which showed a decline of 31 per cent in pre-tax profit.

General business premiums increased by 14 per cent to £325 million. Although underwriting losses at £54 million rose by £22 million, this was compensated in part by a 22 per cent increase in investment income to £64 million.

In the UK there was an encouraging flow of new general business premium income which increased by 13 per cent to £177 million, and some hardening of premium rates. However, the property account had additional costs from extreme winter weather and an increase in subsidence claims. In the motor account there was an increase in frequency and cost of claims. Claims notified in the liability account, particularly those relating to industrial deafness, also increased.

Results for reinsurance and home foreign business continued to reflect inadequate worldwide premium rates but the marine and aviation account showed some growth in premium income and a small improvement in rates.

Overseas net premiums showed an increase of 15 per cent over 1983. In Australia, levels of premiums hardened and a significant profit was achieved, the Belgian market still suffered excessive competition but the results were an improvement, and South African Eagle again produced good results. Eagle Star of America, a relatively small operation, continued to suffer from the poor insurance conditions in the USA.

Life assurance premiums rose by 30 per cent to £194 million. New annual premiums totalled £26 million of which £17 million arose in the UK. Worldwide new single premium business was £78 million of which £61 million arose in the UK. Comparing the two halves, a reduction in new annual premium business came from the benefit in 1983 of the new MIRAS system of mortgage tax relief. The flow of new ordinary business, affected by the loss of Life Assurance Premium Relief, was partly made up by increased individual pensions business and group life and pensions business. There was a most satisfactory increase in immediate annuity business.

PACKAGING AND PRINTING

Mardon Packaging International's turnover rose 16 per cent and trading profit in sterling terms increased 36 per cent. Improved profits in the UK and Europe came from volume growth, particularly in metal and rigid plastics packaging, as well as continuing benefits from rationalisation and higher productivity. However, flexible packaging, which performed strongly during 1983, was affected by more intense competition. The Canadian and US businesses achieved significant volume and profit gains.

OTHER TRADING ACTIVITIES

This segment includes for the first time the results of the Grovewood Securities group acquired with Eagle Star. Grovewood's trading profit rose by nearly a quarter over the first half of 1983 to more than £10 million with another good contribution from VG Instruments.

Home improvements was affected by strikes in the German metal and engineering industries and general consumer caution which resulted. However, turnover increased in ceramics, shower walls and foils, and overall turnover was up by about 4 per cent. Downtrading, cost increases and some loss of sales depressed trading profit.

Cosmetics turnover was a little higher than in the first half of 1983. However, due to continuing problems in the USA, the trading result was £5 million below the comparable period.

ASSOCIATED COMPANIES

The Group's reported share of pre-tax profits of associated companies increased by 84 per cent to £70 million. Imasco's profit improved significantly and a further large proportion of the increase was accounted for by interim results of associated companies - notably Skandinavisk Holding and Aracruz Celulose, which were not included in the previous first half year.

In Canada, Imasco's pre-tax profit was 23 per cent up on last year. Profits from tobacco and Shoppers Drug Mart continued to increase satisfactorily. There were excellent trading profits from Peoples Drug Stores which was acquired at the beginning of April, although the results were reduced by interest payments on the acquisition consideration. Hardee's restaurant business produced very good volume and profit growth.

In Australia, AMATIL's pre-tax profit was virtually unchanged. Good results were achieved by tobacco and Leigh-Mardon.

Empresas La Moderna in Mexico increased pre-tax profit considerably as a result of higher cigarette prices. Skandinavisk Holding showed a big improvement in profit, with the main gains coming from tobacco and office furniture supplies. Pulp production at Aracruz increased by 5 per cent and profit benefited from strengthening international prices. West Indian Tobacco's profit improved, with a slight increase in volume.

B·A·T INDUSTRIES

The full report has been posted to shareholders. Copies are available from the Company Secretary, B.A.T Industries p.l.c., Windsor House, 50 Victoria Street, London SW1H 0NL.

UK COMPANY NEWS

Coats Patons tops £43m with advances all round

BY ANTHONY MORETON, TEXTILES CORRESPONDENT

Coats Patons, one of the largest threads and knitting yarns producers in the world, is well on taget to producing a £1bn turnover this year.

The Glasgow-based company's interim figures released yesterday show turnover in the first *half of this year rising by 11 per* cent compared with the same months of 1983 to £447.7m. If this rate of increase continues last year's £883m total should be comfortably exceeded.

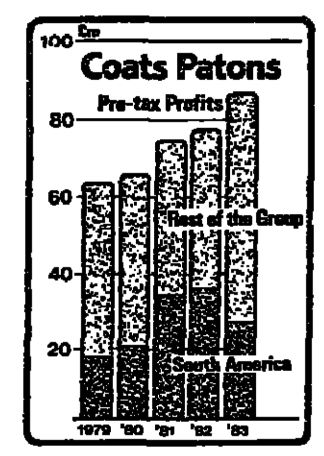
However, the company cautions that although margins *in hte half-year were in line with* those achieved in the second half of last year sales are "*somewhat* less buoyant than expected."

Group pre-tax profits for the opening six months, at £43.2m, were 27 per cent ahead of the £34m returned previously and the net interim dividend is being lifted from 1.5p to 1.65p per 25p share from earnings 31 per cent higher at 8.9p (6.8p).

Chairman Mr W. D. Coats said the improvement had occurred across the board although Europe, which was the laggard, had come through more *strongly* than other areas.

Surprisingly, Coats appears not to have benefited in U.S. markets from the sharp fall in sterling against the dollar. While many British manufacturers, such as Jaguar Cars, are reporting booming sales in North America, Coats has had a disappointing time there.

Trading profit during the half-year rose by 24 per cent compared with 12 months earlier to £47.1m with margins at 10.5 per cent (9.5 per cent).



Both profitability and turn*over should be helped following* a £5m investment at the Alloa plant which was unveiled earlier this year. The works, where Coats' worsted spinning activities are concentrated, employs over 1,000 people and the money has been spent putting in automatic balling machinery, dye vats and machinery for the production of fancy yarns.

This will allow Coats to continue to turn out the best sorts of hand-knitting yarns, which are now an important element in the fashion industry. It will also allow the company to consolidate its *position* as the largest manufacturer and exporter of hand-knitting yarns in the UK.

Last year there was a useful rise in UK sales in this sector, with Coats Patons own increase ahead of the field. This year Patons' Pick and Mix cotton knitting *yarns have been a leader* among the spring fashion collections, a pre-eminence the company hopes to carry through into the rest of the year.

Coats has also made two acquisitions this year in Aero Needles and the German concern *Schamachenmayr, Mann, both of* which should make a contribution to the leisure and craft side of its business.

This is an area into which every company is putting more beef as growth rates far exceed those in most other sectors of the clothing market.

To the general public Coats is best known through its sewing threads: what most High Street shoppers do not realise is that it also owns Jaeger, the top-of-the-market brand name, and its half-sister Country Casuals.

Schachenmayr has about 10 per cent of the German market for branded hand-knitting yarns and it is clear that Coats is now making strenuous efforts to become much stronger in Germany as the company goes out of its way to forecast further expansion of Jaeger in Germany through the purchase of a chain of shops.

In that year the group, faced with rampant inflation in the UK and diminished margins, decided to give a one-for-25 scrip instead of a dividend payment. The City was horrified and kicked Coats hard.

The company remains adamant that what it did was best both for itself and its shareholders and points justifiably to its progress ever since.

See Lex

Owen Owen half-year losses up to £0.8m

DIFFICULT TRADING conditions in the first four months of the current year at department store operator, **Owen Owen**, are reflected in an increase in half year pre-tax losses from £630,000 to £798,000. Turnover for the period to July 28, 1984 was marginally higher at £37.43m, against £37.19m.

Last year's results included £1.23m turnover and £44,000 profits attributable to Plumb Contracts, up to its date of sale on April 15, 1983.

At the four months stage, group sales were some 3.5 per cent ahead of the previous year. While they had been affected by the late Easter and prolonged periods of unseasonable weather, the underlying trend had been weaker than expected.

The second six months has begun encouragingly, with sales for the first seven weeks running more than 10 per cent up on the previous year and ahead of plan.

The net interim dividend is maintained at 1p—last year, dividends totalling 3.3p were paid and profits, before tax, rose to £1.19m (£0.48m).

62% profit increase at Barrow Hepburn

Pre-tax profits at **Barrow Hepburn Group**, chemical compounds, engineering and hide dealing concern, increased by 62 per cent for the half year to June 30 1984. During this period the group made £664,000 compared with £409,000, on turnover up £15.5m to £19.74m.

Earnings per 25p share were shown as 1.38p compared with 0.82p last time. The directors have declared a same-again interim dividend of 0.8p. A total of 2.2p was paid in 1983, on £1.12m profits.

Interest took an increased £184,000 (£110,000) and tax was £272,000 against £161,000. The total absorbed by the net dividend is £205,000 (same), leaving £148,000 (£4,000) to be transferred to reserves.

JFB pref. deferred

As shown in the interim statement, **Johnson and Firth Brown** has a deficiency of distributable reserves. As a result, the board is unable to recommend a resumption in payment of preference dividends, and must defer payment of the dividend due on September 30 1984 and of the arrears brought forward from earlier periods.

Britannia Arrow edges up to £5.3m

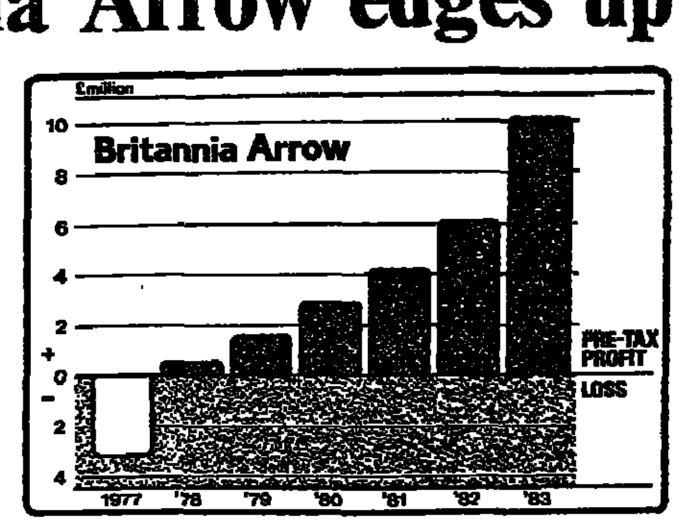
A MARGINAL rise in interim pre-tax profits, excluding extraordinary items, from £5.12m to £5.27m is reported by **Britannia Arrow Holdings**, now a financial services group.

A higher tax charge cut after-tax profits from £4.02m to £3.65m, but £4.83m of extraordinary profits against £567,000 last year, resulted in overall net profits of £6.63m against £3.32m.

The interim dividend is lifted 10 per cent from 1p to 1.1p net —covered more than twice by an earnings per *share*, before extraordinary items, of 3.3p.

Fund management profits rose from £3.67m to £3.8m, with the profits from the U.S. fund management companies and the investment management fee from the life subsidiary, National Employers Life (NEL) —items not included last year— compensating for the drop in profits on UK unit trust sales.

The main pre-tax profits figures include a two months contribution of £1.47m from the merchant bank acquisition Singer and Friedlander. But this was more *than offset by a steep* rise in interest charges from £280,000 to £2.03m, reflecting the expansion in the company debt



to finance its recent acquisitions.

Investment income rose from £1.98m to £2.15m, being boosted by interest earned on last year's £21.8m rights issue.

28 arafiet sh cm vb xzfiffffi

No profit contribution is included for NEL. The manage*ment has decided that, for this* year at least, profits from NEL will be accounted for on an annual basis following the normal annual valuation of the company, and included in the full year's figures.

The main contribution to the extraordinary items is a £4.54m profit on sale of investments against a profit of £294,000 last year.

Since the end of the interim period on June 30, 1984, the group has sold the magazine distribution subsidiary Seymour Press, as part of the overall strategy to concentrate on developing the group as an integrated financial services company.

● comment

Britannia Arrow's interim figures include various acquisitions making comparisons difficult. The U.S. fund management operations, including the recent acquisition of Gardner and Preston Moss, together with two months profits from Singer and Friedlander have offset a disappointing profit fall in the UK unit trust operations. The group's mixed marketing approach using various outlets has resulted in more business coming from institutions where margins are much lower than with private investor business and jobbing profits on units are lower than last year. The market expects this slow growth in UK unit trust business to dampen the more buoyant results from U.S. and offshore operations over the rest of the year and the earnings per share for the year improve by a sixth to around 7p. *The disappointing figures* prompted a 5p drop in share price to 69p giving a p/e of around 10.

'Powerful base' at Argyll

CASH FLOW should continue to be *strong* enough to fund the ambitious growth plans of **Argyll Group**, Mr James Gulliver, the chairman, told the annual meeting. "I am in no doubt that we have a powerful base from which to create a broadly based and increasingly international food and drinks group in the years ahead," he said.

Reporting on the group's longer term plans and prospects, Mr Gulliver said that Argyll *Foods' retail operations* were growing strongly through its new store programmes. The food divisions' capital budget this year was £48m and the company would continue to invest heavily in its future.

It had always been part of Argyll's corporate philosophy to regard the acquisition of complementary retail chains as attractive, members were told. The proposed acquisition of Amos Hinton for £25m was wholly in line with this policy and the next fiscal year should see the group benefit fully from that acquisition.

"It will be appreciated, however, that the growing concentration of the UK food retail industry will make the opportunity for similar acquisitions *increasingly difficult," the chair*man cautioned.

Referring to the possibility of a small U.S. food retail chain acquisition, Mr Gulliver said: "We are now carrying out the necessary groundwork, but we are not likely to move there until the next fiscal year, fiscal '86."

He stated that Argyll's drink division was of strategic importance to the group since it provided it with a major diversification opportunity in a product area wholly allied to food and importantly established Argyll in the U.S. This would, in the years ahead, represent a major growth opportunity for the business as a whole.

The group's longer term plans *for its drink division were to* continue to broaden its product range away from historical dependence on brown spirits towards the growth segments of this market, taking advantage of its substantial and growing distribution capabilities.

Juliana's expects more growth

Juliana's Holdings is set this year to surpass the £1.16m taxable *profit earned in* 1983, and next year will see the benefits of recent investments, says Mr Oliver Vaughan, joint chairman, in his interim statement.

He reports that over the first six months of 1984 Juliana's, an international discotheque and leisure group, pushed taxable profits up by 23 per cent from £458,749 to £562,537.

Profits growth, however, was restricted by investments to strengthen management and to implement joint ventures in *Raffles in Hong Kong and Gym*-Tech. Turnover for the period was 28 per cent higher at £2.9m, and profits were struck after a £50,987 loss attributable to the GymTech start-up.

The interim dividend is being effectively raised from 0.7p to 1.1p with earnings per share shown as 2.49p (2.38p). Tax took £150,374 (£98,695).

The first GymTech in Singapore is on course to open at the end of the year while new sites have been secured in Hong *Kong and Montreal. Nightclub* interests continue to expand through the Supersport joint venture.

Also in Hong Kong, agreements have been reached for the establishment of an entertainment complex in Harbour City and for nightclubs in Montreal and New York.

The directors are proposing an executive share option scheme.

Bardsey in red but sees upturn

DEPRESSED CONDITIONS in the furniture trade slowed down the recovery at **Bardsey**, industrial and financial holding company, which returned a pre-tax loss of £77,000 for the half-year ended June 30 1984.

This figure shows a slight improvement over the corresponding period last year when a pre-tax loss of £80,000 was returned.

Although turnover was marginally down during the six months, at £17.8m compared with £18.05m, the group showed an operating profit up from £567,000 to £627,000. Indications are that the improving trend will continue for the second half.

There was continued improvement in the profitability of the tool companies in the first six months.

Depreciation and interest took £240,000 (£219,000) and £362,000 (£428,000) repectively. In addition, there was an exceptional debit of £102,000 this time relating mostly to the costs involved in restructuring the Taylor Pallister Group following the acquisition of Turners of Shettleston.

There loss per 10p share is stated at 0.8p as against a 1.1p loss last time before exceptional items.

COMPANY NEWS IN BRIEF

A substantial recovery in pre-tax profits from £86,000 to £613,000, has been announced at **British Syphon Industries**, the Wilmslow-based group with interests in drinks dispensing equipment and manufacturing services, for the half year ended June 30 1984. Turnover increased by £973,000 to £11.83m.

Earnings per 20p share were shown well up at 4.5p (0.8p) and, in view of the better figures, the directors have resumed interim dividends with a payment of 1.25p. *This is covered three and* a half times by post-tax earnings of £547,000 (£86,000). Advanced Corporation Tax on dividends was the only tax payable.

The chairman, Mr Bryan Morrall, says that the rationalisation programme, referred to in his previous statement, has continued. The group's surplus properties have now been sold with the proceeds, amounting to £2m, being used to reduce indebtedness.

The rationalisation has resulted in further unavoidable extraordinary items of £610,000 (£129,000). This leaves the loss attributable to shareholders of £63,000 (£43,000).

Mr Morrall says the second half has started well. "Each of the remaining members of the group is now trading profitably and efforts to improve profitability *further* are continuing." He anticipates a satisfactory result for the year as a whole.

* * *

Pre-tax profits of **Alfred Walker**, estate developer, declined *from* £51,000 to £4,000 for the year to April 30 1984. As forecast, however, the net dividend is maintained at 0.75p per 10p share.

The directors say results reflect reducing revenue from the diminishing housing activities during a period when expenses were being incurred in promoting a commercial development programme which did not make any contribution to earnings in the year 1983-84.

Turnover improved from £0.92m to £1.11m.

* * *

Yearling bonds totalling £11.75m redeemable on September 25 1985 have been issued this week by the following local authorities: *Manchester (City of)* Metropolitan District Council £2.5m; Daventry DC £0.5m; Kirklees Metropolitan Borough

More briefs on Page 31

Council £2m; South Kesteven DC £0.25m; Wrekin (District of the) £0.5m; East Staffordshire DC £0.5m; Lancaster City Council £0.5m; Llanelli (Borough of) £0.25m; Torfaen BC £0.5m; Beverley BC *£0.5m; Thames* Valley Police Authority £1.25m; Tonbridge and Malling BC £0.25m; West Wiltshire DC £0.5m; Cambridge City Council £1m; Eastbourne BC £0.25m; Hartlepool BC £0.5m.

* * *

Profits before tax *of Garton* **Engineering** recovered from £78,000 to £258,000 over the first half of 1984 helped by the reorganisation and integration of the Midlands factories. Trading was relatively buoyant.

Turnover improved from £5.46m to £6.17m—the group manufactures bolts and nuts and also deals in land. Stated earnings totalled 2.77p (2.12p) and the net interim dividend is the same at 1p.

* * *

With all its companies reporting improved results, **Cooper Industries** achieved pre-tax profits of £312,000 in the six months to July 31 1984. The group has changed its year-end, and in the six months to October 31 1983, it had pre-tax profits of £207,000. All comparatives are for the period to October 31.

Turnover of this Wolverhampton-based steel re-roller, preci*sion engineer and tool distribu*tor, rose from £9.34m to £10.38m, and operating profit advanced from £394,000 to £561,000.

The pre-tax figure was struck after interest payable of £301,000 (£251,000) but included associated company profits of £14,000 *(£23,000) and interest receivable* of £38,000 (£41,000). Tax for the half-year was £110,000 against £44,000. The interim dividend is 0.3p against 0.5p for the nine months to January 31 1984.

The directors expect further satisfactory results for the full year.

* * *

Trafford Park Estates, industrial and commercial property developer, returned pre-tax profits for the year to June 30 1984 up from £2.29m to £2.47m.

During the same period, turnover rose by £318,000 to £5.49m. Earnings per 25p share were shown as 13.17p (14.88p).

The final dividend is being held at 6p, making a total of 9.5p —last year's total was 9.25p.

Tax took an increased £979,000 (£650,000) and minorities £80,000 (£54,000), leaving attributable profits at £1.41m (£1.59m).

There was an extraordinary credit this time of £3,000.

UK COMPANY NEWS

MINING NEWS

RTZ increases interim dividend

BY GEORGE MILLING-STANLEY

LED ONCE again by the chemical and industrial operations in the U.S. and the UK, London's Rio Tinto-Zinc mining and industrial group boosted attributable profits for the half-year to June 30 by 18 per cent.

The interim dividend is raised from 6p to 6.5p per share. Last year's interim was followed by a final payment of 12p to give a total for the year of 18p.

Attributable profits for the half came out at £100.1m, up from £84.5m in the first six months of 1983 and ahead of the £88m earned in the second half of last year.

The improvement was not fully translated into earnings per share, as a result of the increase in share capital brought about by last year's £192m rights issue. Earnings are shown as 32.33p per share, up from 30.91p in the first half of last year and 28.55p in the second half.

RTZ said yesterday that the increase in profits over the first half of 1983 was due to a substantial improvement in the results of the group's wholly-owned subsidiaries, offset to some extent by a slight reduction in the contribution from the partly-owned subsidiaries.

	First half 1984 £m	First half 1983 £m
Turnover	2,695.2	2,255.6
Operating costs	2,371.7	1,930.5
Operating profit	323.5	325.1
Share of related co's	14.5	5.0
Interest receivable	51.9	38.9
Making	389.9	369.0
Interest payable	87.7	83.1
Profit before tax	302.2	285.9
Tax	152.8	136.0
Profit after tax	149.4	149.9
Minorities	49.3	65.4
Attributable	100.1	84.5
Earnings per share	32.33p	30.91p
Preference dividends	0.2	0.2
Interim ordinary divs.	19.7	18.2
Dividends per share	6.50p	6.00p

The continuing economic recovery has benefitted those sectors which are not dependent on prices for metals and minerals, RTZ said. There has been some improvement in demand for metals, but the group's mining interests are still suffering from generally depressed prices.

As the accompanying table shows, after-tax profits were actually slightly down on last year, but the lower amount due to minorities gave rise to the increase at the attributable level.

The main contribution to group profits came from RTZ Borax, which produced another very strong performance with net profits up from £26.7m to £39.7m. The improvement was attributable to higher volume sales of borax products, the favourable impact of translation into sterling and a better performance from the chemical interests.

Higher earnings from the UK housing market and an improved showing from Indal in the U.S. helped RTZ Industries to lift its contribution to the group from £17m to £24.8m, while RTZ Oil and Gas benefited from the recently acquired stake of 1 per cent in the Forties field and the favourable effect of currency translation on its U.S. earnings.

The group's mining operations generally performed less well than in the previous year, although Rio Algom in Canada increased its contribution slightly.

This was mainly thanks to better uranium earnings, both from the recently reopened Stanleigh mine at Elliott Lake in Ontario and the company's other two mines in the area, Panel and Quirke.

Steel operations returned to profits after a loss last time, while the effects of lower copper prices and ore grades at Lornex in British Columbia were partly offset by the company's Bullmoose coal operations, which made an initial contribution.

RTZ said that the Rossing uranium mine in Namibia continued to operate satisfactorily, although the contribution to group earnings from this source has been delayed by the deferring of deliveries into the second half of the year. Profits here have also been hit by an increased provision for deferred tax.

The outlook for the remainder of the year still depends to a large extent on metal prices, although the industrial and chemical interests are again expected to do well, RTZ said.

The shares fell 16p to 569p in London last night in a generally weaker market.

See Lex

Teck to close copper mine

DEPRESSED PRICES for copper and molybdenum have forced the suspension of operations from October 19 at the Highmont open-pit mine in the Highland Valley district of southern British Colombia.

Mr Robert E. Hallbauer, senior vice president of mining at Teck Corporation, which owns a half-share in Highmont, said yesterday that the suspension is necessary to stem the continuing net losses produced by the mine. The plant and equipment will be maintained in condition to allow for the operation to be re-opened when economic conditions warrant.

Redelay Holdings, a unit of the Kuwait Investment Office, owns 30 per cent of Hhigmont, with the remaining 20 per cent held by an affiliate of West Germany's Metallgesellschaft.

Mr Hallbauer said that Teck's Afton copper-gold mine, also in British Colombia, would remain in operation. The mine, owned as to 73 per cent by Teck with the remaining 27 per cent held by Metallgesellschaft, was closed for nine months two years ago.

Teck returned to profits in the third quarter, which ened on June 30, with net profits of C$500,000 (£308,000). The period shows not only a positive result, but also the strongest cash flow since the second quarter of 1981, at C$9.5m.

Dr Norman B. Keevil Jr, persident, said that the improvement was due to the new Bullmoose coal mine in British Colombia, higher grades at Afton in the same province, and increased proluction and higher prices at the Newfounldand zinc operation.

The consolidated net loss for the nine months to the end of June was C$2.6m or 16 cents a share, compared with a loss of C$4.5m or 20 cents a share a year ago. Cash flow for the nine months jumped from C$8.9m to C$17.9m.

Dr Keevil said that the Bullmoos emine had operated profitably since it was opened.

The pouring of the first gold bar from the company's poperty at the Hemlo area in north-western Ontario is expected next stpring. The mine's sahft is now below 1,000 feet and continuing towards the planned total depth of 3,800 feet.

Steel erection for the planned 1,000 tonnes per day plant has started, and Teck has aranged non-recourse financing for the development of the property

Messina plans to sell mines in Zimbabwe

SOUTH AFRICA'S Messina has reached an advanced stage in discussions with the state-controlled Zimbabwe Mining Development (ZMDC) over the sale to ZMDC of all the group's mining interests in Zimbabwe, including its investment in MTD (Mangula).

Messina said yesterday that the sale would have no significant impact on group earnings. For some time now, the group's mining operations, both in Zimbabwe and in the Transvaal area of South Africa, have been badly affected by low metal prices, and group profits have been mainly derived from the South African industrial interets, including the important Japanese vehicle franchise.

The terms of the sale have not been disclosed, but Messina said yesterday that payment would be in the form of non-resident Zimbabwe Government bonds, redeemable in foreign currency in equal annual instalments over six years.

The interests in question, which are not consolidated in Messina's results, have been fully provided against in previous years.

MINING NEWS IN BRIEF

FMC Corporation of the U.S. has announced plans to develop the Paradise Peak gold and silver deposit near Gabbs, Nevada. The discovery is about 120 miles south-east of Reno.

The development will start early next year, and will include an open-pit mine and processing plant. Gold and silver production is expected to begin in 1986, with a processing capacity of 1m tons of ore a year.

The group has previously estimated reserves at over 1m oz of gold and 30m oz of silver.

* * *

Low silver and lead prices have forced the closure of the Sherman mine at Leadville, Colorado, owned by Hecla Mining of the U.S. The problems have been exacerbated by lower ore grades than expected.

Hecla said that 36 hourly-paid employees will be affected by the closure. As in previous temporary shutdowns, development work will be continued by salaried staff in preparation for a resumption of production when metal prices recover.

COMPANY NEWS IN BRIEF

E. T. Sutherland and Son, chilled fresh food manufacturer, which came to the Unlisted Securities Market in May, announced pre-tax profits for the half year ended June 30 1984 up from £573,000 to £658,000. Turnover increased from £8.92m to £9.45m.

Earnings per share were stated at 2.46p, against 2.44p, and the directors have declared an interim dividend of 1.33p, as anticipated in May. This is the first such dividend payable by the company. The directors hope to recommend a final dividend of 2p per share. Last year's final was 0.13p.

The company received £45,000 in interest this time, compared with £10,000 interest paid. Tax was up at £307,000 (£232,000) and the dividend absorbs £68,000 (nil), leaving £283,000 retained profit against £341,000.

* * *

In its initial figures since joining the Unlisted Securities Market, Protimeter reports pre-tax profits up from £294,324 to £395,879 for the year to June 30, 1984. The comparable figures are as adjusted for the prospectus and were after £13,137 exceptional re-organisation expenses.

This manufacturer of moisture and temperature measuring equipment for crops, building materials and the atmosphere, improved its turnover from £1m to £1.13m.

After tax of £184,625 (£156,047) and dividends of £52,883 (£8,000), retained profits were £158,371 compared with £130,277. Stated earnings per share increased from 2p to 2.9p.

A dividend of 0.7p is being recommended, as forecast.

* * *

Losses incurred in its London operations, where work has been difficult to obtain, at reasonable margins, has meant lower profits for Belfast-based McLaughlin and Harvey, builder and civil engineer, for the half year to June 30, 1984.

On turnover down from £25.05m to £23.46m the company returned pre-tax profits of £583,000 compared with £690,000 for the corresponding period.

Earnings per 25p share were shown up at 10.4p (10.2p), and a same-again interim dividend of 2p is being paid.

Tax took a reduced £161,000 this time, against £276,000.

* * *

Biomechanics International, effluent treatment engineer, had losses before tax, depreciation and written-off goodwill of £155,468 in the half-year to June 30, 1984. Losses at end-1983 were £138,000.

Depreciation totalled £7,001 and goodwill written off amounted to £24,300. There was again no tax payable. The company's net loss was £186,769 and the loss per 10p share was 2.24p. The company's shares have been traded on the Unlisted Securities Market since July 1983.

Peel making £18m offer for Bridgewater Estates

BY JOAN GRAY

Peel Holdings, an investment property group, is making an agreed equity bid worth £18m for **Bridgewater Estates** to help fund its superstore development programme.

Peel has built and retained some 550,000 sq ft of retail property in the past two years and the proposed expansion of its capital base through the acquisition of Bridgewater's agricultural land, property and listed investments will provide further funding for new superstore development.

It is offering 11 ordinary shares and £2.50 nominal of new 10 per cent cumulative preference shares for every 10 Bridgewater ordinary shares. Taking Peel at 274p, down 10p yesterday, and the preference at par the terms value Bridgewater shares at almost 326½p against a closing price of 315p, up 35p.

"We do not intend to dispose of any of Bridgewater's assets at all, but to use them as security to raise funds," said Mr Peter Scott, finnace director of Peel Holdings, who will also have a seat on the board of Bridgewater after the takeover.

"A main reason for the takeover is that Peel Holdings had reached a level of gearing of 80 per cent of net assets and wanted to dilute this gearing to allow us to continue our superstore investment programme," he added.

Stores which Peel is holding as investments have a "current open market value of £27m," said Mr Scott, and the company wants to continue building and keeping them for investment "because we see retail property as being the most dynamic area with a minimum growth in rents of 10 per cent a year."

Mr Scott said that "Peel will provide Bridgewater shareholders with a share of a growing retail portfolio and the management expertise to make the best use of the company's assets."

This view of the advantages of the Peel takeover is echoed by Mr John Grayling, Bridgewater Estates managing director, who will remain to run the company after the deal is finalised.

Peel's superstores are based countrywide and are let to tenants such as Asda, W. H. Smith, Safeways and MFI. The rents they earn are now "in excess of £2m a year," said Mr Scott, "and since they are all on five-year reviews we expect the rent roll to have increased by 50 per cent in 5 years giving us a £1m a year additional income."

The bidder intends to appoint Mr John Whittaker, current chairman and managing director of Peel, as well as Mr Scott, to Bridgewater's board. They will be responsible for, as Mr Scott put it, "bringing out the best in Bridgewater's assets."

They will be looking at Bridgewater's 9,000 acres of agricultural land to see if any is suitable for conversion to superstore sites.

The offer has been recommended by the Bridgewater board on the present terms and now needs the approval of the shareholders.

Largs, Peel's 67.4 per cent shareholder, also owns 23.52 per cent of Bridgewater and intends to accept the offer in respect of its stake.

Possibility hardens of P & O docking at Sterling Guarantee

BY RAY MAUGHAN

THE POSSIBILITY of an eventual merger between **Peninsular & Oriental Steam Navigation** and **Sterling Guarantee Trust**, both headed by Mr Jeffrey Sterling, hardened yesterday when SGT increased its holding in the shipping and construction group to 19.9 per cent.

SGT already held a 14.9 per cent stake in P & O, picking up a 7 per cent holding from Trafalgar House last week, and the additional 5 per cent was acquired from clients of Warburg Investment Management in exchange for the issue of 42.79m SGT shares.

The exchange took place on a one-for-six basis, but this relationship between the two companies altered slightly yesterday as shares in P & O fell 3p to 289p and the SGT firmed 1½p to 54p. At these levels, the 19.9 per cent holding is valued at £67.44m against SGT's current market capitalisation of £192.61m.

The acquisition is conditional on listing being granted for the new ordinary shares of SGT—amounting to 12 per cent of the current capital—which will rank pari passu with the existing ordinary shares.

In addition to the strengthening of SGT's equity base, the additional stake provides associate status for the aggregate holding which means that SGT will be able to account for 19.9 per cent of P & O's profits.

Mr Sterling has long contemplated a merger of the two companies and the benefits of integrating the two managements. Trafalgar House added an impetus to such a deal by stressing throughout the period of its offer for P & O that it would drop its bid if Mr Sterling's two companies were brought together.

But only now that Trafalgar has abandoned its plans for P & O has Mr Sterling strengthened the links between the shipping and construction company and the property and industrial services group.

Premier urges rejection of £100m bid

BY DOMINIC LAWSON

Premier Consolidated Oilfields has urged its shareholders to reject the £100m all share bid launched by fellow oil company **Carless Capel & Leonard**. The move came in Premier's defence document which was posted to shareholers yesterday.

In a covering letter to shareholders, Mr Roland Shaw, Premier's chairman, describes Carless' offer as "greedy and unsolicited," and says "there is no commercial or financial logic in a merger."

However, Mr John Leonard, the chairman of Carless retorted yesterday that a merger between the tow companies would be a case of "two plus two equalling five." Hea ded that the Premier defence document "doesn't add up to very much."

Mr Shaw points out in the defence document that Premier is a pure oil exploration and production company, whereas Carless has other businesses, such as solvents and fuel distribution. Mr Shaw adds that Premier shareholders would "change fundamentally" the nature of their investment if they accepted Carless' paper.

Premier's main asset is a 12.5 per cent stake in the Wytch Farm oilfield, which contains about 200m recoverable barrels of oil. Carless has a 7.5 per cent stake in the field. If Premier shareholders accepted the offer of one Carless share for every three Premier shares, they would effectively be reducing their interest in the field by 9m barrels, according to the Premier chairman.

The defence document also seeks to cast doubt on the meris of Carless' two onshore oil discoveries in Hampshire, Horndean and Humbly Grove. The document points put that no reserve estimates for either field are provided in the Carless offer

In its offer document, Carless had saiid that since its flotation in 1971, its market capitalisation had increased from £3m to £152m, a fifty fold increase. But inthe same periaod Premier insists, its own market capitalisation has increased two hundred and fifty fold.

An unusual part of the defence document is an invitation from Mr Shaw to his 20,000 shareholders to attend a public meeting on September 25, at the Whitbread Brewery, in Chiswell Street London. At the meeting, Mr Shaw and his staff will talk about the assets of the company.

The first closing date for the Carless offer is Thursday, September 27..

Elbar Indstl.

Elbar Industrial has disposed of its agricultural retail dealership at Boston, Lincolnshire—formerly a branch of Elbar Grantham—to **J. T. Friskney** of Horncastle, Lincolnshire.

The basis of the sale is the book value of certain stocks and assets, with Elbar retaining responsibility for the debtors and creditors. An initial payment of £200,000 has been received and the balance due will be collected in part through the sale of stocks remaining in Elbar's possession, and in part, by a tranche from the purchaser within 30 days of completion.

The estimated book value of the branch is £458,000 and the expected loss on disposal is approximately £80,000.

BIDS AND DEALS IN BRIEF

The offer by **Lloyds Bank** for all the shares of **Lloyds and Scottish** which it does not already own has become unconditional. The offer is being extended until further notice. Acceptances received totalled 73.86m shares, including the Royal Bank of Scotland's 73.29m, and Lloyds Bank now owns or controls approximately 99.9 per cent of Lloyds and Scottish.

* * *

The board of Crocker National Bank has received a progress report on the assessment by its investment bankers of **Midland Bank's** $207m bid for the 47 per cent minority it does not own. A spokesman denied reports that the advisers had recommended acceptance. He was also unable to confirm reports that Crocker had found a buyer for its headquarters in San Francisco. The California bank has been trying to sell properties to raise more capital in the woke of its large losses in real estate lending.

* * *

The offer by **Dominion** for **Anglo-International Investment Trust** has been accepted as to some 1.7m asset shares and some 5.3m dividend shares, representing 85 per cent and 88 per cent respectively and representing 87 per cent of the voting rights.

* * *

Isis Industrial Services—its shares are traded on the specialist over-the-counter market—has changed its name to **Isis Group**, and one of its first actions was to acquire **Vick Motor Holdings**.

Vick Motor operates two Ford main dealerships in Farnborough, Hampshire, and Trowbridge, Wiltshire, and a fleet of self-drive hire vans and trucks. In 1983, Vick achieved turnover of £14m.

Mr Lamont Park, the chairman of Isis, says the acquisition provides the group with a new opportunity to exploit its established management skills, and he expects that Vick will make a "significant contribution" to group profitability.

* * *

Mr Jim Slater has sold his 5.9 per cent holding in **Southend Stadium** to **Yelverton Investments**, which now holds a 21.6 per cent stake in the property and racecourse company. Mr Slater has a small shareholding in Yelverton and his investment in Southend Stadium had been deemed to be in association with Yelverton. Two Yelverton directors sit on the Southend company's board.

* * *

The Petrocan Group, which includes Offshore Drilling Supplies, has acquired **Bascot Services (North Sea)**, which specialises in downhole tooling and stabilisation systems, and **Offshore Drilling Investments**, which provides light engineering fabrication, machining and maintenance facilities in Aberdeen.

* * *

Meadown Farm Products has entered into a conditional agreement to acquire **David A. Holding (Catering Butchers)**, a Derby-based catering butcher. The consideration will be satisfied by the issue to the vendors of 1m new ordinar shares. At the placing price, the consideration would be valued at around £1.8m.

Of the 1m new ordinary shares, 580,000 will be retained by the vendors.

BOARD MEETINGS

The following companies have notified dates of board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available as to whether the dividends are interims or finals and the subdivisions shown below are based mainly on last year's timetable.

TODAY

Interims: William Baird, Barker and Dobson, Bodycote International, British Printing and Communication, Carlton Industries, Clarke Nickolls and Coombs, First Castle Electronics, Grattan, John Laing, Laporte Industries, Thomas Marshall (Loxley), Miles 33, William Morrison Supermarkets, Rowntree Mackintosh, Scott's Restaurant, George Spencer, Sunleigh Electronics, Systems Designers International, Tharsis, Vosper, Yule Catto.

Finals: Cope Allman International, Lawne, Mezzanine Capital, A. and J. Mucklow.

FUTURE DATES

Interims—	
British Home Stores	Oct 17
Debenhams	Oct 5
Manders	Sept 26
Newbold and Burton	Sept 26
Octopus Publishing	Sept 25
PLM	Sept 28
Runciman (Walter)	Oct 23
Tilbury	Sept 26
W.W.	Sept 27
Final—	
Canadian Overseas Packing Industries	Oct 10

UK ECONOMIC INDICATORS

ECONOMIC ACTIVITY—Indices of industrial production, manufacturing output (1980=100); engineering orders (1980=100); retail sales volume (1978=100); retail sales value (1980=100); registered unemployment (excluding school leavers) and unfilled vacancies (000s). All seasonally adjusted.

	Indl. prod.	Mfg. output	Eng. order	Retail vol.	Retail value*	Unemployed	Vacs.
1983							
2nd qtr.	99.9	94.6	93	107.3	119.7	2,987	135
3rd qtr.	101.9	96.6	97	108.3	124.0	2,950	160
4th qtr.	103.4	97.7	100	110.3	151.4	2,941	162
1984							
1st qtr.	102.5	97.0	100	108.5	123.5	2,998	147
2nd qtr.	100.1	97.4	[illegible]	111.7	130.7	3,026	154
January	103.1	97.0	101	107.7	123.4	2,976	148
February	102.7	96.6	100	109.5	122.4	3,005	145
March	101.7	97.3	[illegible]	108.3	124.5	3,012	147
April	100.6	97.4	106	112.3	131.4	3,011	148
May	99.6	96.9	98	110.7	130.6	3,028	156
June	100.1	97.8		112.1	130.3	3,038	159
July	99.4	96.8		111.2	133.9	3,055	164
August	-			111.3		3,071	162

OUTPUT—By market sector: consumer goods, investment goods, intermediate goods (materials and fuels); engineering output, metal manufacture, textiles, leather and clothing (1980=100); housing starts (000s, monthly average).

	Consumer goods	Invst. goods	Intmd. goods	Eng. output	Metal mnfg.	Textile etc.	Housg. starts*
1983							
2nd qtr.	95.9	90.5	106.1	93.0	104.1	89.4	20.0
3rd qtr.	98.1	91.9	108.4	94.7	104.8	90.3	17.5
4th qtr.	98.4	93.6	110.3	96.2	108.8	92.8	15.9
1984							
1st qtr.	97.1	92.3	109.8	95.0	113.8	89.7	16.5
2nd qtr.	98.0	93.2	104.6	95.7	110.8	90.7	17.3
January	97.0	93.0	111.0	96.0	115.0	89.0	13.9
February	97.0	91.0	111.0	94.0	112.0	89.0	16.6
March	97.0	93.0	108.0	96.0	115.0	91.0	19.0
April	98.0	93.0	105.0	96.0	109.0	90.0	16.5
May	98.0	92.0	104.0	95.0	108.0	91.0	17.5
June	97.0	94.0	105.0	97.0	116.0	91.0	19.4
July	98.0	93.0	103.0	95.0	105.0	88.0	18.7

EXTERNAL TRADE—Indices of export and import volume (1980=100); visible balance; current balance (£m); oil balance (£m); terms of trade (1980=100); exchange reserves.

	Export volume	Import volume	Visible balance	Current balance	Oil balance	Terms trade	Resv. US$bn*
1983							
2nd qtr.	100.3	106.6	−460	− 89	+1,551	98.1	17.71
3rd qtr.	99.3	106.6	−248	+828	+1,521	99.2	17.90
4th qtr.	107.4	112.7	+ 5	+596	+2,123	98.6	17.82
1984							
1st qtr.	109.5	113.2	− 59	+838	+2,316	97.4	16.75
2nd qtr.	108.3	118.9	−1,193	−443	+1,548	97.1	15.61
January	101.8	111.7	−324	− 25	+719	98.1	17.78
February	115.4	110.2	+492	+791	+821	97.4	17.98
March	111.3	117.9	−227	+ 72	+776	96.9	16.75
April	104.4	122.4	−817	−567	+380	96.6	15.94
May	108.5	115.0	−279	− 29	+512	96.8	15.54
June	112.0	117.3	− 97	−152	+656	97.8	15.61
July	102.8	108.6	−137	+113	+784	97.4	15.37
August							15.35

FINANCIAL—Money supply M0, M1 and sterling M3, bank advances in sterling to the private sector (three months' growth at annual rate); building societies' net inflow; HP, new credit; all seasonally adjusted. Clearing Bank base rate (end period).

	M0 %	M1 %	M3 %	Bank advances %	BS inflow £m	HP lending £m	Base rate %
1983							
2nd qtr.	7.4	15.3	14.6	15.0	1,071	2,540	9.50
3rd qtr.	3.9	8.5	8.4	24.6	2,098	2,646	9.50
4th qtr.	7.9	10.4	8.8	18.9	2,745	2,818	9.00
1984							
1st qtr.	4.1	16.1	8.2	13.6	2,609	2,918	8.50
2nd qtr.	4.6	24.5	11.1	18.9	1,798	2,872	9.25
January	5.1	7.6	11.5	12.3	926	969	9.00
February	3.7	7.8	8.6	12.4	954	1,007	9.00
March	3.6	14.9	7.1	16.1	729	938	8.50
April	3.2	23.4	7.4	17.3	683	914	8.50
May	4.3	28.3	11.4	19.0	482	1,031	9.13
June	6.2	22.7	14.3	20.6	630	927	9.25
July	6.8	11.4	8.4	17.0	608	974	12.00
August	4.8	11.4	7.1	11.0	123		10.5

INFLATION—Indices of earnings (Jan 1980=100); basic materials and fuels, wholesale prices of manufactured products (1980=100); retail prices and food prices (1974=100); FT commodity index (July 1952=100); trade weighted value of sterling (1975=100).

	Earnings*	Basic matls.*	Whsale. mnfg.*	RPI*	Foods*	FT* comdty.	Strlg.
1983							
2nd qtr.	148.0	123.6	124.2	333.7	306.3	272.89	84.3
3rd qtr.	150.9	124.7	125.1	338.0	310.4	288.14	84.9
4th qtr.	153.2	128.4	126.7	341.8	316.4	298.50	83.2
1984							
1st qtr.	153.6	133.5	129.0	343.9	321.7	308.67	81.7
2nd qtr.	155.9	134.1	132.0	350.9	329.1	305.06	79.6
January	152.7	133.5	128.0	342.6	319.8	295.75	81.9
February	153.7	134.2	128.8	344.0	321.4	291.34	82.2
March	154.2	132.9	130.2	345.1	323.8	308.67	81.0
April	154.7	133.8	131.7	349.7	327.3	305.89	80.1
May	155.7	134.3	132.1	351.0	329.4	312.46	80.0
June	157.5	134.1	132.2	351.9	330.6	305.06	79.4
July	159.6	133.5	132.5	351.5	328.5	289.86	78.4
August		132.6	132.8	351.8	326.9	294.18	78.4

* Not seasonally adjusted.

Public Works Loan Board rates

Effective September 19

Years	Quota loans repaid by EIP†	Quota loans repaid A‡	Quota loans repaid at maturity§	Non-quota loans A* repaid by EIP†	Non-quota loans A* repaid A‡	Non-quota loans A* repaid at maturity§
1	—	—	11⅞	—	—	12⅛
Over 1, up to 2	11⅞	11½	11⅞	12⅛	12¼	12⅛
Over 2, up to 3	11⅞	11⅞	11⅞	12⅛	12⅛	12⅛
Over 3, up to 4	11⅞	11⅞	12	12⅛	12⅛	12⅛
Over 4, up to 5	11⅞	11⅞	12⅛	12⅛	12⅛	12⅛
Over 5, up to 6	12	12	12⅛	12¼	12¼	12⅜
Over 6, up to 7	12	12	12⅛	12⅜	12⅜	12⅜
Over 7, up to 8	12	12⅛	12⅛	12½	12⅜	12⅜
Over 8, up to 9	12⅛	12⅛	11⅞	12⅜	12⅜	12⅜
Over 9, up to 10	12⅛	12⅛	11¾	12⅜	12⅜	12⅛
Over 10, up to 15	12⅛	11¾	11⅛	12⅛	12⅛	11⅜
Over 15, up to 25	11⅞	11¼	10⅞	11⅞	11⅞	11⅜
Over 25	11	10⅞	10⅞	11¼	11¼	11¼

* Non-quota loans B are 1 per cent higher in each case than non-quota loans A. † Equal instalments of principal. ‡ Repayment by half-yearly annuity (fixed equal half-yearly payments to include principal and interest). § With half-yearly payments of interest only.

If you are in any doubt about the contents of this Prospectus you should consult your stockbroker, bank manager, solicitor, accountant or other financial adviser. The distribution of this Prospectus and the offering of Shares in certain jurisdictions may be restricted, and accordingly persons into whose possession this Prospectus comes are required by the Fund and J. Rothschild Charterhouse Management (Bermuda) Limited to inform themselves about and to observe any such restrictions. This Prospectus does not constitute an offer or solicitation to anyone in any jurisdiction in which such offer is not authorised or to any person to whom it is unlawful to make such offer or solicitation. In particular, this Prospectus does not constitute an invitation to the public of Bermuda to subscribe for Shares. The Shares are offered on the basis of the information and representations contained in this Prospectus and any further information given or representations made by any person may not be relied upon as having been authorised by the Fund, the Directors or the Managers. Neither the delivery of this Prospectus nor the allotment or issue of Shares shall under any circumstances create any implication that there has been no change in the affairs of the Fund since the date hereof. The Shares have not been registered under the United States Securities Act of 1933 and except in a transaction which does not violate such Act, may not be directly or indirectly offered or sold in the United States of America, or any of its territories or possessions or areas subject to its jurisdiction, or to or for the benefit of a United States person. For this purpose, United States person includes a national or resident of the United States of America, a partnership organised or existing in any state, territory or possession of the United States of America, a corporation organised under the laws of the United States of America or of any state, territory or possession thereof, or any estate or trust, other than an estate or trust the income of which arises from sources outside the United States of America (which is not effectively connected with the conduct of a trade or business within the United States of America) and is not included in gross income for the purposes of computing United States federal income tax. The attention of United States persons is drawn to the paragraph headed "Restrictions on Shareholders" below and the compulsory redemption powers of the Fund mentioned therein. Persons interested in acquiring Shares in the Fund should inform themselves as to:—(i) the legal requirements within the countries of their nationality, residence, ordinary residence or domicile for such acquisition; (ii) any foreign exchange restrictions or exchange control requirements which they might encounter on the acquisition or sale of Shares; and (iii) the income tax and other taxation consequences which might be relevant to the acquisition, holding or disposal of Shares. It should be appreciated that the value of Shares and the income from them can fall as well as rise. Unless otherwise stated in this Prospectus, "dollars", "cents" and "$" means United States dollars and cents and "£" and "pounds" means Pounds sterling.

A copy of this Prospectus has been delivered to the Registrar of Companies in Bermuda pursuant to the Companies Act 1981 of Bermuda and copies (having attached thereto the documents specified herein) have been delivered to the Registrar of Companies in London for registration pursuant to the Companies Act 1948 of Great Britain. This document includes particulars given in compliance with the Regulations of the Council of The Stock Exchange, London, for the purpose of giving information with regard to Charterhouse J. Rothschild Japan Fund Limited (the "Fund"). The Directors have taken all reasonable care to ensure that the facts stated herein are true and accurate in all material respects and that there are no other material facts the omission of which would make misleading any statement herein whether of fact or opinion. All the Directors accept responsibility accordingly. Application has been made to the Council of The Stock Exchange for the whole of the issued share capital of the Fund to be admitted to the Official List. The Directors intend to apply for the Fund to be authorised by the Securities Commission in Hong Kong. Following the closing date of the initial offer of Shares referred to below, the subscription price for the Shares in the Fund being offered for subscription shall be calculated by reference to the net asset value of the Fund in accordance with the Bye-laws of the Fund.

CHARTERHOUSE J ROTHSCHILD JAPAN FUND LIMITED

(Incorporated with limited liability in Bermuda under the Companies Act 1981 of Bermuda as amended)

OFFER

of 2,000,000 Capital Shares of US10 cents each ("Shares") at US$10 per Share payable in full on application

The application list for Shares at the above subscription price will open at 10a.m. on 25th September 1984 and may be closed at any time on 3rd October 1984

THE DIRECTORS OF THE FUND

RICHARD CHICHELEY THORNTON *(Chairman and President) (British)*
66 St. James's Street, London SW1A 1NE.
Richard Thornton is a director of Charterhouse J. Rothschild plc and is also a director of a number of listed companies, including several investment trusts. He is Chairman of J. Rothschild Charterhouse Pacific Management Limited and Charterhouse J. Rothschild Pacific Investment Trust plc.

COLIN PETER HOOK *(Vice President) (British)*
801 Gloucester Tower, The Landmark, Central, Hong Kong.
Colin Hook is managing director of J. Rothschild Charterhouse Pacific Management Limited and is also a director of a number of listed companies.

MICHAEL STEWART BUNKER *(British)*
801 Gloucester Tower, The Landmark, Central, Hong Kong.
Michael Bunker is a director of J. Rothschild Charterhouse Pacific Management Limited and of GAM Pacific Inc. He has for a number of years been responsible for the management of the Asian investments of the Charterhouse J. Rothschild Group.

DONALD PETER LINES *(British)*
The Bank of Bermuda Building, Front Street, Hamilton 5-31, Bermuda.
Donald Lines is a chartered accountant and has been Chief General Manager of The Bank of Bermuda Limited for 3 years. He is a director of a number of Bermuda-based investment companies.

RICHARD SHAFTO LOVE PEARMAN *(British)*
Clarendon House, Church Street, Hamilton 5-31, Bermuda.
Richard Pearman is a barrister and attorney and has been a partner in the law firm of Conyers, Dill and Pearman for 25 years. He has served as a director of a number of investment companies for many years.

NILS OTTO TAUBE *(British)*
66 St. James's Street, London SW1A 1NE.
Nils Taube is a director of Charterhouse J. Rothschild plc and Charterhouse Japhet plc. He is Chief Executive of J. Rothschild Investment Management Limited and has a number of other directorships both within and outside the Charterhouse J. Rothschild Group.

MANAGEMENT AND ADMINISTRATION

MANAGERS
J. Rothschild Charterhouse Management (Bermuda) Limited
The Bank of Bermuda Building
Front Street Hamilton 5-31 Bermuda

INVESTMENT ADVISERS
J. Rothschild Charterhouse Pacific Management Limited
801 Gloucester Tower
The Landmark Central Hong Kong

CUSTODIAN, BANKERS AND REGISTRARS
The Bank of Bermuda Limited
The Bank of Bermuda Building
Front Street Hamilton 5-31 Bermuda

PRINCIPAL SUB-CUSTODIAN
Bermuda Trust (Far East) Limited
2401 Edinburgh Tower
The Landmark Central Hong Kong

SECRETARY AND REGISTERED OFFICE
Thomas Haskins Davis, C.A.,
The Bank of Bermuda Building
Front Street Hamilton 5-31 Bermuda

STOCKBROKERS
Cazenove & Co.
12 Tokenhouse Yard
London EC2R 7AN

AUDITORS
Peat, Marwick, Mitchell & Co.
Chartered Accountants
P.O. Box 906 Vallis Building
Hamilton 5-31 Bermuda

RECEIVING BANKERS
Morgan Guaranty Trust Company of New York
23 Wall Street New York, N.Y. 10015
United States of America

The Bank of Bermuda Limited
The Bank of Bermuda Building
Front Street Hamilton 5-31 Bermuda

Midland Bank plc
110-114 Cannon Street,
London EC4N 6AA

LEGAL ADVISERS TO THE FUND AND TO THE MANAGERS
In Bermuda:
Conyers, Dill and Pearman
Clarendon House Church Street
Hamilton 5-31 Bermuda

In the United Kingdom:
Stephenson Harwood
Saddlers' Hall Gutter Lane
Cheapside London EC2V 6BS

PRINCIPAL FEATURES

The following information is a summary of the principal features of the Fund but should be read in conjunction with the text of this Prospectus.

STRUCTURE
- the Fund is an open-ended investment company incorporated in Bermuda

OBJECTIVE
- to provide investors with long-term capital appreciation from Japanese securities

JAPANESE ECONOMY AND STOCKMARKET
- has provided the highest rate of post-war economic growth of all major industrialised nations
- has generated consistently high stockmarket returns
- is expected to continue to offer outstanding returns as a result of monetary stability, low inflation and high capital formation
- is expected to offer high growth potential in the robotics, factory automation, industrial and consumer electronics and the advanced telecommunications sectors

INVESTMENT AIMS AND POLICY
- to achieve substantial long-term capital appreciation by consistently investing in industries with above average growth potential
- to offer an actively managed portfolio mainly in marketable securities
- to place particular emphasis on those companies whose management has demonstrated an ability to adapt to changing markets and technologies
- to remain fully invested unless market conditions make it appropriate to hold significant cash deposits

THE MANAGERS AND INVESTMENT ADVISERS
- are an experienced team directing investment policy and management
- provide extensive experience and knowledge of Japan and its investment markets
- are supported by other companies within the Charterhouse J. Rothschild Group, which provide up-to-date information and direct access to investment markets worldwide and, in particular, Japan

DAILY DEALINGS IN SHARES
- Shares may be applied for or redeemed on any business day in Bermuda
- there will be a single price for the allotment and redemption of Shares which will be calculated by reference to the net asset value of the Fund
- Share prices will be published in the *Financial Times* in London when space becomes available and the *South China Morning Post* in Hong Kong

LISTING
- the Fund has applied for listing of its Shares on The Stock Exchange, London

DIVIDENDS
- dividend income is not likely to be significant as emphasis is on capital appreciation
- at least 85 per cent. of net income will be distributed
- *dividends can easily be re-invested into further Shares*

INTRODUCTION

The Fund is incorporated as a mutual fund company in Bermuda with limited liability. It is an open-ended investment company in that it can offer Shares to investors on a continuing basis and the Bye-laws confer upon Shareholders the right to have their Shares redeemed.

The purpose of the Fund will be to invest in equity or convertible equity securities of Japanese companies which are seen as having substantial growth potential. These investments will normally be quoted on a recognised stock exchange in Japan but may in certain cases be unquoted. The principal investment objective will be long-term capital appreciation.

The Fund will be managed by **J. Rothschild Charterhouse Management (Bermuda) Limited** (the "Managers"), which will receive investment advice from **J. Rothschild Charterhouse Pacific Management Limited** (the "Investment Advisers").

For the services to be performed by the Managers under their Management Agreement with the Fund, the Managers will receive a quarterly management fee currently equivalent to 1½ per cent. per annum of the net asset value of the Fund. The Managers will be responsible for the fees of the Investment Advisers.

THE MANAGERS

The Managers are a wholly-owned subsidiary of J. Rothschild Charterhouse Management Limited ("JRCM"), which is a subsidiary of Charterhouse J. Rothschild plc ("CJR"), the widely based financial services group created by the merger of The Charterhouse Group plc and RIT and Northern p.l.c.

JRCM was formed earlier this year to manage the portfolios of certain quoted investment trusts, authorised unit trusts and other funds in Asia within or associated with the CJR Group. JRCM is also the manager of Charterhouse J. Rothschild Pacific Investment Trust plc, a United Kingdom quoted investment trust with an investment policy principally aimed at the Japanese and other Pacific markets. The level of funds under the management of JRCM already exceeds $85 million.

Whilst the Directors of the Fund will be responsible for the overall investment policy of the Fund, the Managers will have responsibility for the selection of investments and the day-to-day management of the Fund.

THE INVESTMENT ADVISERS

The Investment Advisers, another wholly-owned subsidiary of JRCM, were specifically established in Hong Kong in order to manage investments in and advise on all the stockmarkets of the Pacific region.

By far the most important in Asia, the Japanese stockmarkets have been given considerable emphasis by the Investment Advisers, which have already established a team with extensive experience of investment in Asia. With its philosophy of in-depth research of recognised stock and currency markets, this team has contributed significantly to the successful performance of the Charterhouse J. Rothschild Pacific Investment Trust plc since its launch in March of this year.

The Investment Advisers have established an Investment Policy Committee, which meets regularly to review economic and stock market prospects and to initiate investment policy. The members of the Committee have between them many years' experience of the Japanese securities market. The Committee is led by:—

Mr. Richard Thornton, aged 53, who is also Chief Investment Officer. Prior to joining CJR, he was a co-founder of GT Management Limited, a major British investment management company, where he was a director and chief investment officer until November 1983. He has specialised in Asian, and in particular Japanese, investments for 20 years. He has extensive knowledge and experience of Japan and the investment markets in that country.

The other members of the Committee are:—

Mr. Colin Hook, aged 42, who is Managing Director of the Investment Advisers. Before joining the CJR Group in early 1984, he was managing director of San Miguel International, Limited where he was responsible for the international operations of San Miguel Corporation, the leading industrial group in the Philippines. In particular he directed corporate strategy and property investment policy. Prior to that he was responsible for the development of Joseph Sebag & Co.'s Asian operations for 5 years. He has lived in Hong Kong for 11 years during which time he has acquired an extensive knowledge of the Pacific region.

Mr. Michael Bunker, aged 34, who is Investment Director, has been actively involved in financial markets for 15 years, initially in stockbroking and latterly in fund management. He has specialised in investment in Asia for 5 years and was responsible for launching in 1981 the Target Malaysia and Singapore Fund, the first unit trust for that region to be authorised in the United Kingdom. He has been responsible for the management of CJR's Asian investments for the last 4 years.

Mr. James Mellon, aged 27, who is a senior fund manager, joined the Investment Advisers in July 1984 after resigning as a director of GT Capital Management Inc. in San Francisco where he was responsible for the management of that company's North American investments, which at the time of his resignation exceeded $600 million. He began his career with GT Management Limited in 1978, specialising in the management of Japanese securities.

CHARTERHOUSE J. ROTHSCHILD plc

CJR is the ultimate holding company of the Managers. CJR was formed in December 1983 by the merger of The Charterhouse Group plc and RIT and Northern p.l.c. CJR's market capitalisation at 31st August 1984 amounted to $500 million. The CJR Group's principal businesses comprise merchant banking and investment management services and it has also established a leading position in the provision of development capital for industry, offering equipment leasing, project-related and consumer finance services. Charterhouse Japhet plc, a London Accepting House, is a wholly-owned subsidiary of CJR, which also owns 50 per cent. of L.F. Rothschild, Unterberg, Towbin, an investment banking firm in the United States, and close to 30 per cent. of Kitcat & Aitken, London stockbrokers.

These and other companies within the CJR Group will provide the Managers with up-to-date information about, and direct access to, investment markets worldwide and, in particular, in Japan.

THE CUSTODIAN AND BANKERS

The Bank of Bermuda Limited (the "Bank") will provide banking facilities to the Fund. The Bank is a licensed bank incorporated in Bermuda in 1890 under The Bank of Bermuda Act of 1890. The Bank is engaged in a wide range of international banking and trust services through its main office in Bermuda and subsidiaries in Hong Kong, London, Guernsey and New York. As at 30th June, 1984, consolidated gross assets exceeded $2,600 million. The Fund has also appointed the Bank as Registrar of the Fund.

The Bank has also been appointed by the Fund as Custodian of the assets of the Fund in accordance with the terms of the Custodian Agreement (see paragraph 12(b) in Appendix II). These assets will be held either directly by the Principal Sub-Custodian, Bermuda Trust (Far East) Limited, or with correspondent banks around the world. Bermuda Trust (Far East) Limited is a registered trust company incorporated in Hong Kong in 1974 and is a wholly-owned subsidiary of the Bank.

THE JAPANESE ECONOMY AND STOCKMARKET

Japan ranks second in the free world in terms of both economic output and total stockmarket capitalisation. The country's post-war growth rate has been the highest and most consistent among major industrialised nations, and by the end of this decade Japanese Gross National Product per capita is expected to be third only to that of the United States and Canada among OECD economies.

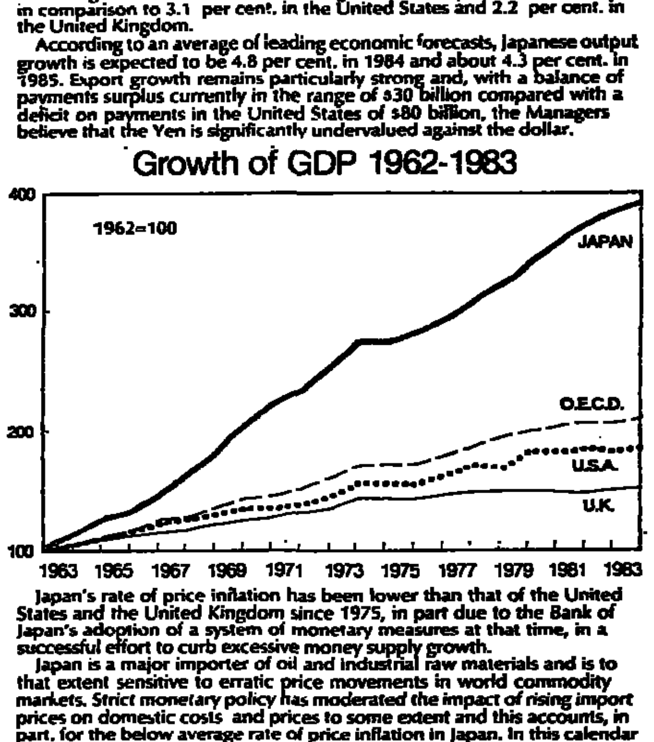
Numerous books and commentaries have been written on the Japanese economic phenomenon. The homogeneity of the Japanese people, a high level of savings and investment and the consistency and stability of political and economic management have all played their parts. Furthermore, the excellence of Japanese labour-management relationships, fostered by long-term employment, carefully controlled promotions, balanced careers and consensual decision-making, has made a major contribution to economic performance.

These and other factors have given the Japanese a rapid rate of economic growth, which is expected to continue. The Japanese Gross Domestic Product expanded in real terms at an average rate of 4.2 per cent. per annum from 1972 to 1983, in comparison to 2.3 per cent. in the United States and 1.5 per cent. in the United Kingdom.

Over a longer period, from 1962 to 1983, Japanese Gross Domestic Product grew in real terms at an average rate of 7.1 per cent. per annum in comparison to 3.1 per cent. in the United States and 2.2 per cent. in the United Kingdom.

According to an average of leading economic forecasts, Japanese output growth is expected to be 4.8 per cent. in 1984 and about 4.3 per cent. in 1985. Export growth remains particularly strong and, with a balance of payments surplus currently in the range of $30 billion compared with a deficit on payments in the United States of $80 billion, the Managers believe that the Yen is significantly undervalued against the dollar.

Growth of GDP 1962-1983



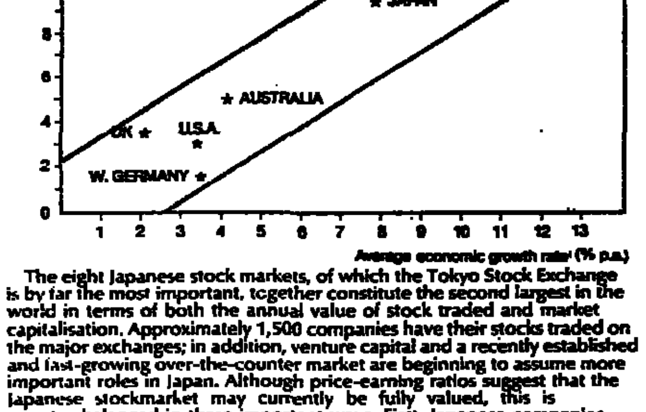
Japan's rate of price inflation has been lower than that of the United States and the United Kingdom since 1975, in part due to the Bank of Japan's adoption of a system of monetary measures at that time, in a successful effort to curb excessive money supply growth.

Japan is a major importer of oil and industrial raw materials and is to that extent sensitive to erratic price movements in world commodity markets. *Strict monetary policy has moderated the impact of rising import* prices on domestic costs and prices to some extent and this accounts, in part, for the below average rate of price inflation in Japan. In this calendar year the consumer price index is expected to increase by no more than 2.5 per cent. and next year the consensus forecast is for a 3 per cent. increase or less.

Private savings have been notably high in Japan, helping to finance a high rate of fixed investment, which accounted for 30 per cent. of Gross National Product in 1982, compared with 19 per cent. in the United States and 15 per cent. in the United Kingdom. Throughout the post-war period Japan has sustained a rate of ploughback into new investment equivalent to almost one third of Gross National Product and this feature has contributed to the strong productivity and output growth compared with its major economic rivals.

The strengths of the Japanese political and economic systems have been reflected in consistently high stockmarket returns over the years. Between 1973 and 1983, Japanese share prices, as measured by the Tokyo Stock Exchange Index, had shown an average rate of return of 9.3 per cent. in dollar terms. This compares to 2.1 per cent. for the Dow Jones Industrial Average in the United States, and 6.5 per cent. for the Financial Times All-Share Index in dollar terms. The Yen had appreciated by 36 per cent. *against the dollar over that period, whereas the pound had declined by 26* per cent.

Relation between Economic Growth and Stockmarket Total Returns (1960-1982)



The eight Japanese stock markets, of which the Tokyo Stock Exchange is by far the most important, together constitute the second largest in the world in terms of both the annual value of stock traded and market capitalisation. Approximately 1,500 companies have their stocks traded on the major exchanges; in addition, venture capital and a recently established and fast-growing over-the-counter market are beginning to assume more important roles in Japan. Although price-earning ratios suggest that the Japanese stockmarket may currently be fully valued, this is counter-balanced in three important ways. First, Japanese companies operate in a more consistent and predictable environment and also tend to have a broader base of businesses than their United States or United Kingdom counterparts. Secondly, the Japanese method of accounting which uses, *inter alia*, generous depreciation allowances, results in a relatively conservative reporting of earnings. *Thirdly, the "float", or freely* traded shares, may be as low as 30 per cent. of the capital of the average Japanese company due to high levels of permanent strategic and institutional ownership. The concentration of share ownership results in a premium for those shares that are available contributing to a generally higher rating for the market overall.

Within the Japanese stockmarkets, there are wide divergences in performance between sectors. The economy has moved from dependence on basic industries, such as steel and shipbuilding, through a period of growth based on the manufacture and export of motor cars and consumer electronics, to the point where the Japanese are now one of the largest exporters of capital equipment in the world. The large and thriving domestic market on which Japanese companies can rely, combined with active encouragement by government of technical research and the availability of cheap finance, has contributed to rapid technological change. The prowess of Japanese manufacturing technology has made the country highly competitive in almost every area it has entered, so that in many cases it now enjoys a near monopoly in what were once predominately Western industries.

Industries which are presently considered by the Managers to offer high growth potential are robotics, industrial electronics, factory automation systems, *selected areas of consumer electronics, cellular radio, Japanese* language word processing, "super-computers" and advanced telecommunications. Significant investment will be made in the best managed companies in these industries.

INVESTMENT AIMS AND POLICY

The aim of the Fund is to provide investors with substantial long-term capital appreciation from Japanese securities and the dividend yield from the investments of the Fund will therefore be of secondary importance.

It will be the policy of the Managers to achieve capital appreciation through investment in securities of quoted companies of all sizes but it is not envisaged that the Fund will invest in all sectors of the economy. As it is intended that the Fund will be actively managed, investments will usually be made in securities which are readily marketable. However, a proportion of the Fund may consist of investments in smaller quoted companies whose shares are often lightly traded or, in certain cases, unquoted companies. The Managers will use their experience of investment in Japan to identify and investigate industries and companies with above-average growth potential.

The expanding domestic and overseas markets in Japanese convertible securities can provide excellent investment opportunities and, where appropriate, the Managers will include convertible securities in the Fund.

In selecting investments the Managers will have regard to prospects for significant growth in the long term and will place particular emphasis on those companies which have demonstrated their ability to anticipate and adapt to changing markets and technologies. These companies are likely to have self-financing or high cash-flow characteristics.

It will be the principal policy of the Managers for the Fund to remain fully invested in Japanese securities. However, should the Managers consider that market conditions make it appropriate, significant cash or short-term deposits will be held. It is currently the view of the Managers that these would be held in Yen, which they consider to be at present a fundamentally undervalued currency. Nevertheless, the Managers may deem it advisable from time to time to hold these cash balances in other currencies.

SUBSCRIPTIONS AND REDEMPTIONS

The initial offer period for Shares at US$10 per Share (the "initial period") will open at 10 a.m. on 25th September 1984 and may close at any time on 3rd October 1984, although applications received during the initial *period for Shares in excess of the 2,000,000 now being offered for* subscription will be satisfied at the initial price of US$10 per Share up to the maximum authorised capital of the Fund.

Dealings
After the initial period, applications to deal in Shares may be made on any Dealing Day, which is every day of the week except Saturday, Sunday and any day which is not a business day in Bermuda.

Valuations and Share prices
The price at which investors may subscribe for and redeem Shares after the initial period will be a single price denominated in dollars and normally will be calculated on each Dealing Day (see paragraph 3 in Appendix I) by reference to the net asset value of the Fund as at the close of business in Bermuda on the previous Dealing Day. The first calculation of the net asset value of the Fund will be made on 4th October 1984. An initial charge of up to 5 per cent. of the relevant Share price will be payable to the Managers by applicants on the issue of Shares both during the initial period and subsequently.

Publication of Share prices
Share prices will be published in the Offshore and Overseas Section of the *Financial Times* in London when space becomes available and the *South China Morning Post* in Hong Kong and will also be available from the Managers and the Investment Advisers on request.

Form of Shares
Share certificates will be in registered form and will be despatched by the Registrars within 28 days of settlement of applications. Fractions to the nearest one-thousandth of a Share may be subscribed for and redeemed by investors.

Procedure for Applications
Applications may be made either on the Application Form set out at the end of this Prospectus or by telex. When first applying, investors should subscribe for a minimum amount of $1,000 (inclusive of the initial charge) which will, unless the Directors otherwise determine, be the minimum value for subscriptions. After their initial application investors may subscribe for any amount.

Investors may make payment for Shares in dollars, pounds sterling or any other currency, by cheque, banker's draft or by telegraphic transfer. Investors are advised wherever possible to make payment by telegraphic transfer to avoid any delay in the allotment of their Shares. Shares will only be issued against payment in dollars and any conversion into dollars will be at the cost and risk of the investor.

US Dollar Subscriptions
- by cheque or banker's draft. These should be made payable to "CHARTERHOUSE J. ROTHSCHILD JAPAN FUND LIMITED" and should accompany the Application Form, which should be sent to the Managers at any of the addresses annexed to the Application Form.
- by telegraphic transfer. Payment, net of charges, should be made to *Morgan Guaranty Trust Company of New York, 23 Wall Street, New* York, NY 10015, USA for credit to the account of The Bank of Bermuda Limited, Sub-Account Bermuda Trust (Far East) Limited (Account No. 651-49-253) in favour of Charterhouse J. Rothschild Japan Fund Limited.

Pounds Sterling or other Currency Subscriptions
- by cheque or banker's draft. These should be made payable to "CHARTERHOUSE J. ROTHSCHILD JAPAN FUND LIMITED" and should accompany the Application Form, which should be sent to the Managers at any of the addresses annexed to the Application Form.
- by telegraphic transfer. Payment, net of charges, should be made to Midland Bank plc, 110-114 Cannon Street, London EC4N 6AA, for credit to the account of *The Bank of Bermuda (Guernsey) Limited* (Account No. 491498) in favour of Charterhouse J. Rothschild Japan Fund Limited.

No cash should be paid direct to any salesman.

Allotments
If a duly completed Application Form or telex is accompanied by a cheque or banker's draft, Shares will, subject only to the money remitted being cleared, be allotted on the date of receipt of the Application Form or telex if it is a Dealing Day or, if not, on the following Dealing Day.

Allotment of Shares in the case of a duly completed Application Form or telex accompanied by a telegraphic transfer will be made on the date of receipt of the Application Form or telex if it is a Dealing Day or, if not, on the following Dealing Day.

All subscription monies must be paid in full within seven days following the Dealing Day on which the Application Form or telex is received.

Contract notes will be issued for all subscriptions of Shares.

Reinvestment
Unless investors otherwise specify in writing either when applying for Shares or subsequently, the Managers will reinvest dividends in the subscription of further Shares. These further Shares will be issued on the date of distribution or, if that is not a Dealing Day, on the following Dealing Day at a price equal to the Share price as set out above, except that no initial charge will be made. Any such request by a Shareholder will remain effective until countermanded in writing.

Redemption
Shares may be redeemed on any Dealing Day at the price ruling on that day, upon receipt by the Managers of a request in writing or telex. Partial redemptions may be effected, in which case a balance certificate will be sent at the same time as payment is made for the redeemed Shares.

Payment of the redemption price will be made by banker's draft in dollars, which will be despatched by post at the Shareholder's risk within seven business days after the date of receipt by the Managers of the Share certificate with the request for redemption on the reverse duly completed. Arrangements can be made for Shareholders to receive payment in currencies other than dollars and/or, where the amount exceeds $10,000, to receive payment by telegraphic transfer. In these circumstances a Shareholder is advised to contact the Managers directly in order to expedite payment. The costs of any currency conversion and other administrative expenses will be borne by the Shareholder.

Contract notes will be despatched in respect of all redemptions of Shares.

The Managers reserve the right to delay implementation of redemption until the next Dealing Day if a Share certificate is received after 5.00 p.m. Bermuda time on any Dealing Day.

Transfer
Shareholders are entitled to transfer Shares by an instrument in writing in any usual common form.

Suspension of dealings
The Directors may declare a suspension of dealings in certain circumstances, full details of which are set out in paragraph 4 in Appendix I. No Shares will be issued or redeemed during any period of suspension.

DISTRIBUTION OF INCOME

The dividend yield of most Japanese companies tends to be low, so the level of the Fund's dividend income is not expected to be significant. It is likely that any dividend income which is received will be substantially absorbed by the Fund's expenses. However, if in any accounting period, there is a surplus of income after making all appropriate deductions and provisions, it is the intention of the Directors that at least 85 per cent of such surplus will be distributed.

No account will be taken by the Fund for any tax which may or may not be due to be paid by Shareholders.

Dividends, if any, will be paid annually in June, commencing in June 1986.

CHARGES AND FEES

On application
The Managers are entitled to receive an initial charge of 5 per cent. of the price at which Shares are sold, which will be added to the price of the Shares. Out of the initial charge the Managers may pay commission to authorised agents.

Managers and Custodian
Fees for services will be payable by the Fund as follows:—

to the Managers:—
the equivalent of 1½ per cent. per annum of the net asset value of the Fund calculated each quarter on the average daily net asset value of the Fund during the relevant quarter, but this may be increased up to a maximum of 2 per cent. of the net asset value of the Fund by giving not less than three months' notice to the Custodian and to Shareholders.

to the Custodian:—
(a) the equivalent of 0.1 per cent. per annum of the net asset value of the Fund (excluding cash balances held with the Bank or any of its subsidiaries) up to $20,000,000 calculated as at the end of each quarter, with a minimum of $20,000 per annum;
0.0625 per cent. on the balance thereafter; and
(b) a transaction charge of ½ per cent. of the value of any purchase or sale of securities (other than a purchase or sale of deposits with the Bank or any of its subsidiaries).

The Managers' and Custodian's fees will be payable quarterly in arrears.

The Managers will be responsible for the charges and fees of the Investment Advisers and the Custodian will be responsible for any fees payable to the Principal Sub-Custodian and any other sub-custodian. Full details of other administrative and professional expenses payable by the Fund are set out below.

GENERAL

Accounts and Reports
Investors will be sent annual accounts and an investment management report relating to the Fund. The first accounts will be made up to 31st December 1985 and thereafter the accounts will be prepared to 31st December in each year. Investors will also be sent an interim report every six months, the first of which will be sent to investors in July 1985.

Annual General Meetings
Annual General Meetings will be held in Bermuda during the month of June. Notices convening each Annual General Meeting will be sent to investors together with the annual accounts and reports not later than twenty-one days before the date fixed for the meeting.

TAXATION

The following comments are intended to assist investors, although investors should consult their professional advisers on the possible tax consequences of their subscribing for, purchasing, holding, selling or redeeming Shares under the laws of their countries of citizenship, residence, ordinary residence or domicile.

The Fund
Bermuda
At the date of this Prospectus there is no Bermuda income or profits tax, capital gains tax or withholding tax payable by the Fund. The Fund has applied for and expects to receive an Undertaking by the Minister of Finance *of the Government of Bermuda under the Exempted Undertakings* Tax Protection Act, 1966 (as amended) of Bermuda to exempt the Fund and its Shareholders (other than those ordinarily resident in Bermuda) until March 2006 from any Bermuda tax which may be introduced which is computed on profits or income or on any capital gain or appreciation or any tax in the nature of estate duty or inheritance tax (apart from taxes on land in Bermuda owned by or leased to the Fund).

Although incorporated in Bermuda, the Fund is regarded by the Bermuda Monetary Authority as non-resident in Bermuda for Bermuda exchange control purposes and, as such, is free to acquire, hold and sell any foreign currency and securities without restriction.

Japan
Dividends and interest, if any, received by the Fund from Japanese sources will suffer Japanese withholding tax at the rate of 20 per cent. No double taxation treaty relief or exemption will apply. The Fund has been advised that it should generally not be liable to Japanese taxation in respect of gains realised by the Fund on the sale or other disposal of investments in Japanese companies or in respect of any income, such as interest on monies placed on deposit, derived from sources other than Japan.

Investors
General
Transactions in Shares between persons, firms, or companies regarded as non-residents of Bermuda for exchange control purposes may be effected without the specific permission of the Bermuda Monetary Authority. Prospective investors who are residents for taxation or exchange control purposes of territories other than Bermuda are advised to consult their own professional advisers if they are in doubt as to their exchange control position under any other jurisdiction to whose laws they may be subject.

Bermuda
At the date of this Prospectus there is no Bermuda income tax, capital gains or withholding tax, estate duty or inheritance tax payable by Shareholders in respect of their Shares. Persons, firms or companies regarded as resident in Bermuda for the purposes of Bermuda exchange control require specific exchange control permission to subscribe or purchase Shares, as they are regarded as foreign currency securities by the Bermuda Monetary Authority.

United Kingdom
Shareholders resident in the United Kingdom for tax purposes may, depending upon their individual circumstances, be liable to United Kingdom income tax or corporation tax at rates applicable to income in respect of income distributions of the Fund. It is the intention of the Directors that neither the central management nor control nor the day-to-day management of the Fund will be undertaken within the United Kingdom for taxation purposes. The Fund should not, therefore, be liable to United Kingdom corporation tax on its income or gains. The attention of individuals ordinarily resident in the United Kingdom is drawn to the provisions of Section 478 of the Income and Corporation Taxes Act 1970 and to Section 45 of the *Finance Act 1981. These contain provisions for* preventing avoidance of United Kingdom income tax by individuals by transactions resulting in income arising to persons (including companies) abroad and which may render such individuals liable to taxation in respect of undistributed profits of the Fund. Clearance has been obtained from the Board of Inland Revenue under Section 464 of the Income and Corporation Taxes Act 1970 that the provisions of Section 460 of that Act (cancellation of tax advantages from certain transactions in securities) will not apply except in the case of a sale of Shares through The Stock Exchange to a company in which the vendor has a substantial interest. The Directors are advised that the Fund is an "Offshore Fund" for the purposes of Sections 92-100 of the Finance Act 1984 which will have the effect, in certain circumstances, of subjecting persons resident or ordinarily resident in the United Kingdom to income tax or corporation tax (at the rate applicable to income) on gains arising on disposals of interests in Offshore Funds, unless those Funds are certified by the Board of Inland Revenue to be "Distributing Funds" and to have enjoyed that status throughout the period during which shares have been held. To obtain certification as a Distributing Fund an Offshore Fund must comply with certain restrictions on investments and pursue a full income distribution policy, that is to say it must distribute not less than 85 per cent. of its income for any accounting period being not less than 85 per cent. of its United Kingdom equivalent taxable profits for that period. It is the intention of the Fund to conduct its affairs in such a manner and to implement its distribution policy so as to achieve, insofar as it is able, certification as a Distributing Fund. Where such certification has been obtained Shareholders who are resident or ordinarily resident in the United Kingdom will, unless otherwise exempt, normally be liable to United Kingdom capital gains tax or corporation tax (at the rate applicable to gains) in respect of gains arising from the disposal or redemption of Shares.

Sections 82-91 of the Finance Act 1984 charge companies resident in the United Kingdom to corporation tax (at the rates applicable to income) in certain circumstances in respect of the income of companies resident outside the United Kingdom in which they are shareholders. In general terms these provisions will only apply to a company which together with its associates is interested in 10 per cent. or more of the Shares of the Fund.

The above statements on United Kingdom taxation are based on advice received by the Directors regarding the current law and practice in the United Kingdom.

AUDITORS REPORT

The following is a copy of a report addressed to the Directors of the *Fund by Peat, Marwick, Mitchell & Co., the Auditors of the Fund:—*

Vallis Building
P.O. Box No. 906 Hamilton 5, Bermuda
19th September 1984

The Directors
Charterhouse J. Rothschild Japan Fund Limited
The Bank of Bermuda Building, 6 Front Street, Hamilton

Dear Sirs,

Charterhouse J. Rothschild Japan Fund Limited (the "Fund") was incorporated on 4th September 1984. As at the date hereof, no accounts for the Fund have been made up and no dividends have been declared or paid. The Fund has not commenced business.

Yours faithfully,
Peat, Marwick, Mitchell & Co.

APPENDIX I
MEMORANDUM OF ASSOCIATION AND BYE-LAWS

The Memorandum of Association and Bye-laws of the Fund comprise its constitution. The Memorandum of Association provides that the main object for which the Fund is formed and incorporated is the business of a mutual fund company with various powers to hold and deal in investments and securities of all kinds.
The Bye-laws of the Fund include the following provisions:—

1. Share Rights
The Founders Shares of $1.00 each have been created in accordance with the laws of Bermuda and are all held by the Managers. Founders Shares carry one vote each, carry no right to a dividend and in a winding up rank only for a return of paid up capital (after the return of paid up capital on the Shares). Founders Shares are not redeemable.

Shares carry a right to dividends declared by the Fund in priority to Founders Shares. Each holder of a Share is entitled to the voting rights described in paragraph 6 below. A holder may appoint one or more proxies to attend General Meetings. On a winding up each Share has a right of return of paid up capital and a right to share in surplus assets of the Fund after the return of paid up capital on Founders Shares.

2. Calculation of Net Asset Value
(a) The Bye-laws provide that the net asset value per Share of the Fund will be determined as at the close of business in Bermuda on each Dealing Day and will be calculated by reference to the value of the net assets of the Fund.
(b) The value of the net assets of the Fund will be determined in accordance with, *inter alia*, the following provisions:—
(i) all calculations based on the value of investments quoted, listed, traded or dealt in on any stock exchange shall be made by reference to the last quoted traded price (or, in the absence of any trades, at the last offer price) on the principal stock exchange for such investments as at the close of business on the day for which such calculation is to be made; all calculations based on the value of investments traded or dealt in on any over-the-counter market which is the principal stock exchange therefor shall be made by reference to the latest offer price quoted thereon provided always that:—
(a) if the Directors at their discretion consider that the prices ruling on a stock exchange other than the principal stock exchange provide in all the circumstances a fairer criterion of value in relation to any such investment, they may adopt such prices;
(b) the Directors may, at their absolute discretion, permit some other method of valuation to be used if they consider that such valuation better reflects the value;
(ii) if no price quotations are available as above provided, the value thereof shall be determined from time to time in such manner as the Directors shall determine; and
(iii) any value (whether of a security or cash) otherwise than in dollars shall be converted into dollars at the rate (whether official or otherwise) which the Directors shall in their absolute discretion deem appropriate to the circumstances having regard *inter alia* to any premium or discount which they consider may be relevant and to costs of exchange.

3. Subscription and Redemption Prices
The Bye-laws provide that the Subscription Price and Redemption Price of each Share will be determined by dividing the net asset value of the Fund as at the close of business in Bermuda on the latest Dealing Day preceding the day of subscription or redemption (as the case may be) by the number of Shares then in issue rounded to the nearest whole cent or, in the case of a half cent, rounded up to the nearest whole cent.

The Bye-laws provide that any certificate as to the net asset value per Share and/or the Subscription Price and/or Redemption Price per Share given in good faith by or on behalf of the Directors is binding on all parties.

4. Suspension of Valuations and Dealings
The Directors may suspend the determination of the net asset value of the Fund for the whole or any part of a period during which any stock exchange or over-the-counter market on which any significant portion of the investments of the Fund are listed, quoted, traded or dealt in is closed (other than customary weekend and holiday closing) or trading on any such stock exchange or market is restricted; when circumstances exist as a result of which in the opinion of the Directors it is not reasonably practicable for the Fund to dispose of investments comprised in the Fund or as a result of which any such disposal would be materially prejudicial to Shareholders; when a breakdown occurs in any of the means normally employed in ascertaining the value of investments or when for any other reason the value of any of the investments or other assets of the Fund cannot reasonably or fairly be ascertained; or during which the Fund is unable to repatriate funds required for the purpose of making payments due on redemption of the Shares or during which any transfer of funds involved in the realisation or acquisition of investments or payments due on redemptions of the Shares cannot in the opinion of the Directors be effected at normal rates of exchange.

5. Variation of Class Rights
(a) All or any of the special rights for the time being attached to any class of share for the time being issued (of which there are none at present save as referred to herein) may (unless otherwise provided by the terms of issue of the shares of that class) from time to time (whether or not the Fund is being wound up) be altered or abrogated with the consent in writing of the holders of not less than three-quarters of the issued shares of that class or with the sanction of a resolution passed with a like majority at a separate General Meeting of the holders of such shares on the Register at the date on which notice of such separate General Meeting is given. To any such separate General Meeting all the provisions of the Bye-laws as to General Meetings of the Fund shall *mutatis mutandis* apply, but so that the necessary quorum shall be two members holding or representing by proxy not less than one-third of the issued shares of the class (but so that if at any adjourned meeting of such holders a quorum as above defined is not present, those holders of shares of the class who are present shall be a quorum), that every holder of shares of the class shall be entitled on a poll to one vote for every such share held by him and that any holder of shares of the class present in person or by proxy may demand a poll. For such purposes the Directors may treat all the classes of shares as forming one class if they consider that all such classes would be affected in the same way by the proposals under consideration but, in any other case, shall treat them as separate classes.
(b) The rights attached to each class of share shall be deemed to be varied by the creation or issue of any shares ranking in priority to them as respects participation in the profits or assets of the Fund.
(c) Subject to paragraph (b) above, the special rights attached to any class of share having preferential or other special rights shall (unless otherwise expressly provided by the conditions of issue of such shares) not be deemed to be varied by the creation, allotment or issue of further shares ranking *pari passu* therewith.

6. Voting Rights
(a) Subject to any special terms as to voting upon which any shares may be issued or may for the time being be held (of which there are none at the present), at any General Meeting on a show of hands every holder of Founders Shares or Shares who (being an individual) is present in person or (being a corporation) is present by duly authorised representative shall have one vote. On a poll every such holder present as aforesaid or by proxy shall have one vote for every share held.
(b) To be passed, resolutions of the Fund in General Meeting will require (save in the case of paragraph 8 below) a simple majority of the votes cast by shareholders voting in person or by proxy at the meeting at which the resolution is proposed.

7. Directors
(a) The remuneration of the Directors shall be determined by the Fund in General Meeting. The Directors may also be paid, *inter alia*, for travelling, hotel and other expenses properly incurred by them in attending meetings of the Directors or in connection with the business of the Fund. Any Director who devotes special attention to the business of the Fund may be paid such extra remuneration as the Directors may determine.
(b) A Director may hold any other office or place of profit under the Fund (other than the office of auditor) in conjunction with his office of director, or may act in a professional capacity to the Fund on such terms as the Directors may determine. No Director shall be disqualified by his office from contracting with the Fund in any capacity, nor shall any such contract or any contract or arrangement entered into by the Fund in which any Director is in any way interested be liable to be avoided, nor shall any Director so contracting or being so interested be liable to account to the Fund for any profit realised by any such contract or arrangement by reason of such Director holding that office if he shall declare the nature of his interest. However, with certain limited exceptions in the case of obligations incurred on behalf of the Fund, and of proposals concerning other companies in which he has a beneficial interest of less than one per cent., a Director shall not vote and shall not be counted in the quorum in respect of any contract or arrangement in which he is so interested, and if he shall vote, his vote shall not be counted.
(c) A Director, notwithstanding his interest, may be counted in a quorum present at any meeting at which he or any other Director is appointed to hold any such office or place of profit under the Fund or at which the terms of any such appointment are arranged, and he may vote on any such appointment or arrangement other than his own appointment or the arrangement of terms thereof.
(d) There is no provision in the Bye-laws requiring a Director to retire by reason of any age limit and no share qualification for Directors.

8. Alteration of the Bye-laws
No Bye-law shall be rescinded, altered or amended and no new Bye-law made unless proposed at a meeting of the Directors and passed by shareholders in General Meeting by a majority of not less than 75 per cent. of such shareholders as, being entitled to, vote, vote in person or by proxy.

9. Restrictions on Shareholders
The Directors have power to impose such restrictions as they may think necessary for the purpose of ensuring that no shares in the Fund are acquired or held by:—
(i) any person in breach of the law or requirements of any country or governmental authority; or
(ii) any person or persons in circumstances (whether directly or indirectly affecting such person or persons and whether taken alone or in conjunction with any other persons, connected or not, or any other circumstances appearing to the Directors to be relevant) which, in the opinion of the Directors, might result in the Fund incurring any liability to taxation or suffering any other pecuniary disadvantage which the Fund might not otherwise have incurred or suffered ("a non-qualified person").

If it comes to the notice of the Directors that any shares are so held by any such non-qualified person the Directors may give notice to such person requiring the redemption or transfer of such shares in accordance with the provisions of the Bye-laws. A person who becomes aware that he is holding or owning shares in breach of any such restriction is required either to deliver to the Fund a written request for redemption of his shares in accordance with the Bye-laws or to transfer the same to a person who would not thereby be a non-qualified person.

10. Borrowing Powers
The Directors may exercise the Fund's powers to borrow and to charge its assets, but they are required to restrict the borrowings of the Fund and to exercise all voting and other rights or powers of control exercisable by the Fund in relation to its subsidiary companies (if any) so as to secure (as regards subsidiary companies so far as by such exercising they can secure) that the aggregate amount for the time being remaining undischarged of all monies borrowed by the Group (which expression means and includes the Fund and its subsidiaries for the time being) exclusive of intra-Group borrowing shall not, except with the consent of the Fund in General Meeting, exceed an amount equal to 25 per cent. of the net asset value of the Fund.

11. Investment Restrictions
The following restrictions on investments are included in the Bye-laws:—
(a) No investment may be made which would result in more than 10 per cent. of *the Fund being invested in any one company, or in the Fund holding more* than 10 per cent. of any one class of share in any company or in the Fund holding options of more than 10 per cent. of the value of the Fund;
(b) Not more than 15 per cent. of the Fund may be invested in shares not listed or dealt in on a stock exchange;
(c) Not more than 10 per cent. of the Fund may be invested in gold or silver bullion or in securities of countries where immediate repatriation rights are not available;
(d) Not more than 5 per cent. of the Fund may be invested in other unit trusts or investment companies not resident in the United Kingdom and no units or shares in an unlisted mutual fund or unit trust may be acquired for the Fund;
(e) The Managers may not invest on behalf of the Fund in physical commodities, futures contracts or options on commodities or future contracts or commodity based investments (other than shares in companies engaged in producing processing or trading in commodities);
(f) The Managers may not invest on behalf of the Fund in land or interests in land and may not make short sales of investments;
(g) The Managers may not on behalf of the Fund assume, guarantee, endorse or otherwise become directly or contingently liable for or in connection with any obligation or indebtedness of any person in respect of borrowed money;
(h) Loans (except to the extent that the acquisition of an investment might constitute a loan) may only be made with the consent of the Custodian;
(i) The Managers may not on behalf of the Fund invest in securities if the directors or officers of the Managers collectively own more than 5 per cent. of these *securities;*
(j) No investment may be acquired which may involve the Fund in any unlimited liability.

The Managers do not generally have to sell investments if the above limits are exceeded as a result of changes in the market value of the Fund's net assets or as a result of new issues or capital reconstruction. However, if these limits are exceeded the Managers may not add further to such investments.

12. Indemnities
There are indemnities in favour of the Directors, Secretary and other officers and servants for the time being of the Fund.

APPENDIX II
GENERAL INFORMATION

1. The Fund was incorporated in Bermuda as a mutual fund company with limited liability on 4th September 1984 under the Companies Act 1981 of Bermuda (as amended). The authorised share capital of the Fund is $512,000, divided into 12,000 Founders Shares of $1.00 each and 5,000,000 Capital Shares of $0.10 each, of which 2,000,000 are now being offered for subscription. The Founders Shares were all issued to the Managers on 4th September 1984 at par.
2. The preliminary expenses incurred in connection with the formation of the Fund and the initial issue of Shares are estimated to amount to $275,000, and are payable by the Fund.
3. Save as referred to in paragraph 1 above, no capital of the Fund has been issued or is proposed to be issued fully or partly paid up either for cash or for a consideration other than cash and no such capital is under option or agreed conditionally or unconditionally to be put under option.
4. Save as disclosed in this document no commissions, discounts, brokerages or other special terms have been granted by the Fund in connection with the issue or sale of any Shares.
5. The Managers and the Custodian are entitled to fees as set out above.
The Fund will pay Bermuda stamp duty at the rate of 0.25 per cent. on the nominal value of the Fund's initial authorised share capital and on any increase therein. Stamp duty is also payable at the rate of 0.1 per cent. on the excess of the Subscription Price over the par value of Shares issued to the public.
In addition the following expenses shall be borne by the Fund:—
(a) brokerage and other expenses payable on the purchase or sale of investments;
(b) the annual Bermuda company registration fees and the annual fees payable by such exempted companies to the Bermuda Government (currently BD dollars 2,250);
(c) the fees and expenses of the Auditors;
(d) the expenses of printing and distributing annual and half-yearly reports, accounts and other circulars relating to the Fund;
(e) the expenses of publishing details and prices of Shares in newspapers and other publications;
(f) the charges and expenses of legal counsel in connection with the Fund, the expenses incurred in the convening of meetings of Shareholders or in the preparation of supplemental agreements or in relation to the safe custody of the documents of title to any investments forming part of the Fund;
(g) any disbursements or out-of-pocket expenses incurred on behalf of the Fund by the Managers or the Custodian;
(h) any costs and expenses of borrowings incurred by the Fund;
(i) Registrar's fees;
(j) Sub-agent's fees and communication costs;
(k) all other operating costs relating to the administration of the Fund.
6. (a) The minimum amount which in the opinion of the Directors must be raised by this initial offer in order to provide for the matters referred to in paragraph 4 of the Fourth Schedule to the Companies Act 1948 of Great Britain and Section 28 of the Companies Act 1981 of Bermuda (as amended) is $390,000 made up as follows:—
(i) the purchase price of property: nil
(ii) any preliminary expenses payable by the Fund and any commission so payable to any person in consideration of his agreeing to subscribe for, or of his procuring or agreeing to procure subscription for, any Shares: $275,000
(iii) the repayment of any monies borrowed by the Fund in respect of any of the foregoing matters: nil
(iv) working capital: $115,000.
(b) The Directors are of the opinion that, provided the minimum subscription of Shares pursuant to the issue of Shares referred to in paragraph (a) above is raised, the working capital of the Fund will be sufficient for the Fund's requirements. In the event that the minimum subscription is not received within forty days of the date of publication of this Prospectus all money received from applicants will be returned without interest.
7. The Fund is not engaged in any litigation and does not have any litigation or claim pending or threatened by or against it.
8. There are no existing or proposed service contracts between any of the Directors and the Fund but the Directors may receive remuneration as provided in the Bye-laws. It is estimated that during the period ending on 31st December 1985 the aggregate emoluments of the Directors will be approximately $20,000.
9. (a) JRCM
(1) Shareholdings. JRCM is owned as to 60 per cent. by CJR, as to a total of 29 per cent. by Mr. R. C. Thornton, Mr. C. P. Hook and Mr. M. S. Bunker (all of whom are Directors of the Fund, the Managers and of JRCM), as to a total of 7 per cent. by Mr. E. G. Edgecombe and Mr. J. Mellon (both of whom are directors of the Managers), and as to a total of 4 per cent. by two other employees of JRCM and the Investment Advisers.
(2) Directors. The directors of JRCM are Mr. R. C. Thornton (Chairman), the Hon. J. Rothschild (Deputy Chairman), Mr. C. P. Hook (Managing Director), Mr. M. S. Bunker, the Hon. D. C. S. Montagu and Mr. N. O. Taube (who is also a Director of the Fund).
(b) The Managers
(1) Shareholdings. The Managers are a wholly-owned subsidiary of JRCM.
(2) Directors. The directors are Mr. R. C. Thornton, Mr. C. P. Hook, Mr. M. S. Bunker, Mr. E. G. Edgecombe, Mr. J. Mellon and Mr. D. P. Lines and Mr. R. S. L. Pearman (both of whom are Directors of the Fund).
(c) The Investment Advisers
(1) Shareholdings. The Investment Advisers are a wholly-owned subsidiary of JRCM.
(2) Directors. The directors are the same as those set out in paragraph 9(a)(2) above.
(d) As disclosed under paragraph 5 above the Managers will be receiving a fee payable by the Fund in respect of acting as managers of the Fund. The Investment Advisers will be receiving a fee payable by the Managers in respect of acting as investment advisers. Mr. D. P. Lines is Chief General Manager of the Bank which will be receiving a fee in its capacity as Custodian. Mr. R. S. L. Pearman is a partner of Conyers, Dill and Pearman which will be receiving a fee in their capacity as legal advisers to the Fund and to the Managers.
(e) Save for the interest of the Managers referred to in paragraph 1 above, no person has any interest in any substantial part of the share capital of the Fund.
(f) No Director of the Fund has an interest in the share capital of the Fund which would be required to be shown in a register maintained under the provisions of the Companies Act 1967 of Great Britain if the Fund were subject to the provisions of that Act.
(g) Save for the Directors' fees referred to in paragraph 8 above and the interests of Mr. R.C. Thornton, Mr. C. P. Hook, Mr. M. S. Bunker, Mr. N. O. Taube, Mr. D. P. Lines and Mr. R. S. L. Pearman referred to in paragraphs 9(a) to (d) above, no Director has any interest in the promotion of the Fund or in any property acquired, disposed of by or leased to, or proposed to be acquired, disposed of by or leased to the Fund and no Director has a material interest in any contract or arrangement which is significant in relation to the business of the Fund.
10. The promoters of the Fund are JRCM.
No amount or benefit has been paid or given to any promoter by the Fund since its incorporation and save as disclosed in paragraph 9 above none is intended to be paid or given.
11. The Managers will not act, and have no intention of acting, as principal in relation to dealings in Shares of the Fund.

UK COMPANIES

Folkes Hefo reaps the benefits of rationalisation

WITH NEARLY all units showing improvements John Folkes Hefo recovered strongly over the six months ended June 30 and for the period made profits greater than those for the whole of the 1983 year.

Following rationalisation the forging operations showed an encouraging improvement and were in line with the targets set and the building supplies sector achieved a "major" increase in profit.

Alhtough the group had to close one of its smaller engineering subsidiaries, mainly as a result of the miners' strike, the remainder of the engineering operations are only being marginally affected by the strike and it will not affect the further advance the directors expect during the remainder of 1984.

They are, meanwhile, holding the interim dividend at 0.35p but say they are hopeful of making a "positive review" of the final dividend (0.9p) when the year's results are known.

Group turnover for the opening half improved from £29.13m to £32.6m and profits at the pre-tax level picked up from £100,009 to £600,000—for the 1983 year they totalled £500,000.

Tax (ACT on the interim dividend) took £85,000 (£67,000) and after dividend payments the group had a retained balance of £382,000, compared with a previous deficit of £126,000.

Stated earnings per 5p share emerged at 1.18p (0.01p) and net assets per share at 57p (54p), after incorporating an industrial property revaluation in 1979.

● comment

The closure of two forges and the injection of new management is the key to JFH's recovery trend. In sinmple terms, the group is working to cut the recent heavy losses in the forge and engineering divisions while at the same time building up the old stalwarts, namely property, building supplies and merchanting. Progress to date is slow but sure. The success of the new strategy is showing up best in the forge division, where more aggressive selling is helping market share in a still difficult trading environment. On the back of sales up from £7.5m to £9m, losses have been cut from over £0.5m to £0.3m and the second half deficit wil almost certainly be lower still. The announced closure will also help the engineering companies to further reduce their losses in the second half. Over in the black, last year's property development efforts are paying off through new lettings while increased demand from builders for kitchens and bathrooms is boosting the building supplies division. All these positive movements should help profits to at least £1.3m by year end which should be sufficient for a small dividend increase, say to 1.3p. At this level the prospective yield is 8.8 per cent at 21½p, up 1p, giving some support to a multiple of 8.8 (20 per cent tax).

APPOINTMENTS

New chief for BIBA

Mr Michael Morris will be retiring as director-general of the BRITISH INSURANCE BROKERS' ASSOCIATION on *January 31 1985. The Association* has appointed Mr John Hackett, at present director of the British Constructional Steelwork Association, to succeed him. Mr Hackett will join BIBA on November 1 as director-general designate. Mr Morris will continue to assist the association as a consultant.

★

PAUL WINNER MARKETING COMMUNICATIONS has appointed Mr Richard May as a director. He has been with PWMC for almost six years and is responsible for the consultancy's technical and industrial division.

★

Mr Stan Manning, former executive director of Inbucon Asia based in Singapore, has returned to this country to head the business promotion operations of INBUCON MANAGEMENT CONSULTANTS in Bedfordshire, Buckinghamshire, Hertfordshire, Middlesex and west and north-west London. He is an associate director in Inbucon Management Consultants and a director of Inbucon International Limited.

★

CREDIT AND COMMERCE LIFE ASSURANCE has appointed Mr Michael King as broker director with additional responsibility for the company's offshore services. He was executive director of Trident Life Assurance.

★

LANCAR, UK concessionaire *for Lancia, has appointed* Mr Ettore Balletto as sales and marketing director to succeed Mr Mike Caridia, who has left the company to pursue other business interests.

★

Mr Christopher Hatton-Penman, marketing director of GUARDALL, the Chubb Group subsidiary responsible for the *design and manufacture of* electronic security systems, has been appointed managing director of the Enfield-based company. He succeeds Mr Ernest Penfold who becomes chairman.

★

Mr Tom Appleton has been appointed a director of CROYDON CABLE TELEVISION. He remains executive director of *Balfour Kilpatrick and a director* of Balfour Beatty.

★

STEEL BURRILL JONES GROUP has appointed Mr J. D. Williams, as a director of Steel Burrill Jones Ltd.

★

Following AUTOMOTIVE PRODUCTS divisional restructuring Mr P. F. Crawford *becomes director and general manager*—transmission (clutch and automatic gearbox) and continues to co-ordinate AP group product engineering. Mr R. A. Inchley, in addition to his present duties as director-supply and distribution, becomes responsible for the steering and suspension division *and the West Midlands group* (rubbers, springs and pressings). Mr D. S. Wright becomes director and general manager—brakes and remains responsible for the friction and racing divisions.

★

Mr Neil McGeown has been appointed deputy managing director of the INTERNATIONAL MONETARY MARKET, European office of the Chicago Mercantile Exchange. He was assistant manager of Bank of Scotland financial futures department and latterly *manager of the financial futures* department at the Royal Bank of Canada. He replaces Mr Richard Heckinger who has completed his term of office with the IMM and has returned to head *office in Chicago to become managing* director in charge of financial marketing in the U.S.

★

Mr Lewis Wilkinson, a general manager of the CO-OPERATIVE BANK, *is to join the board from* January 16 1985. He will be responsible for administration and central and clearing services.

★

Mr L. I. Parkin, group general manager of MUNICIPAL INSURANCE GROUP, will retire on December 31. He will be succeeded on January 1 1985 by Mr A. R. M. Maclean, the present deputy group general manager. Mr K. Black, at present deputy general manager of Municipal Mutual Insurance will become on January 1, general manager of *Municipal Mutual Insurance and* deputy to Mr Maclean.

★

Mr K. L. Fuller has been appointed director of PHILIPS RESEARCH LABORATORIES, Redhill. He will succeed Mr N. E. Goddard who is retiring on December 31. Mr Fuller re-joins the Philips Group on October 1 from Racal where he is currently *technical director of Racal Decca.*

★

Professor Andrew Ehrenberg has been appointed the first WCM Professor of Marketing and Communication at the LONDON BUSINESS SCHOOL'S new Centre for Marketing and Communication. The new Centre and Chair have been funded by the Worshipful Company of Marketors and a wide range of companies.

★

Mr Brian S. Wallis will retire as deputy chairman of GREIG FESTER GROUP and Greig Fester on September 30. He will become a non-executive director of Greig Fester Group.

★

Mr Oscar Peruch, managing director of Mead and McGrouther (Pty), South Africa, a subsidiary of GLASS'S GUIDE SERVICE, has been appointed a director of the parent company in England.

BUSINESS LAW

Vain attempt to increase competition

THE ECONOMIC approach to law—a fashion arriving from the U.S.—leads sometimes to the conclusion that both justice and law have or should have as their overriding aim the maximisation of the wealth of society.* Far be it for me to subscribe to such a dangerous philosophy, which is no better than the old-fashioned utilitarianism, in the name of which all things good and evil can be equally justified.

However, if there is one branch of law in which economic analysis should precede and justify legislation, it is the field of competition, anti-trust, restrictive practices or whatever name is given to the government's efforts to preserve the freedom and possibility to compete, often against the will of *the most important potential* competitors, and almost always against the will of the professions. Even in this field, however, a note of caution is necessary. The freedom to compete may be instrumental to the maximisation of wealth but even where it is not, it may still be justified by the need to prevent monopoly turning into a *dictatorship.*

For a long time this objective, which one may call ideological, dominated the thinking of anti-trusters in the U.S., in Germany and in the EEC. A turn towards an economic evaluation was signalled by the U.S. Supreme Court's decision in *Continental T.V. v G.T.E. Sylvania.*† In this judgment the court abandoned its earlier ideological stance, according to which certain restrictive agreements were anti-competitive and prohibited per se.

Instead, the court held that it was necessary to analyse the market in order to see whether distribution agreements did, in reality, restrict competition. It recognised that it might sometimes be necessary to restrict competition between dealers selling a certain brand of a product in order to improve and promote competition between different brands of the same product. This way of thinking, taken up and developed by the Chicago school of anti-trust economists led to a substantial relaxation of anti-trust enforcement in the U.S.

Unfortunately, this new thinking has not yet penetrated the EEC fortress in Brussels. The *two recent regulations on distribution agreements*, much the same as that on patent licensing reported in this column recently, are dirigistic exercises which, under the guise of an exemption, try to tell businessmen what they should do.

★

The result is, as Dr Valentine Korah, says in her penetrating study of the two new regulations "that . . . all the trouble taken by the Commission to open up markets, most of which were already subject to substantial inter-brand competition, all the trouble that will now have to be taken by legal advisers to understand the new legislation, and the cost to businessmen in having to rethink and renegotiate their distribution agreements have done little to increase competition and may well have reduced both efficiency and flexibility."

The study is an important contribution to UK anti-trust research which much too often keeps within the narrow bounds of either law or economics. The refreshing novelty of Dr Korah's "Exclusive Dealing *Agreements in the EEC*" is the scrutiny of new legislation by a lawyer who is interested not only in the do's and don'ts of the law, but also in its practical consequences. What she finds is not very reassuring.

The Commission's main concern has always been to prevent distribution agreements from creating an exclusivity: there should always be the possibility for dealers who are not appointed to obtain supplies through "parallel imports" across the state frontiers within *the Community. This is* the way the Commission wants to protect the Common Market against partitioning. In many sectors this is about as real as *wanting to protect pie in the* sky against mice. In drinks, for example, there is no Common Market for the simple reason that the member states still continue to levy illegal taxes and, like France and Italy, make their recovery practically impossible as they require proof that the taxes have not been passed on to the consumer. National markets for other products, including petrol, tobacco and household durables, are protected in different ways, ranging from price fixing to *health and safety regulations.*

Although the Commission is not strong enough to remove the real barriers to inter-state trade put up by governments, *it can facilitate the life of free-*riding parallel importers. Whether this helps the consumer or merely the parallel importer must probably be decided on the facts of each case. With the glaring price differentials in motor cars, it is difficult to say that the consumer will never benefit, and that the decision should be in every case left to the commercial wisdom of the supplier.

There is certainly some truth in Dr Korah's view that if a brand owner has to compete against other brands he will not be able to afford to give his distributors unnecessary protection from competition, and he will do better if they compete with each other. However, when it is the supplier who is collecting the higher price *in a protected* market, as happens in motor cars and pharmaceuticals, the argument does not apply, but even these sectors parallel imports will hardly do the trick. A global solution is needed, taking into account the factors which led to differential price levels in the first instance.

★

The Chicago school makes much of the "barriers to entry," ie, the cost to the supplier of establishing himself on a new market. Unless this is excep*tionally high, new suppliers will* be attracted to the market by increased profit margins. This may be so, but it is of little interest when all the potential *suppliers are already* represented on the market and when enormous investment is required to start a new production. Both these conidtons exist in the motor car and in the *research-based* pharmaceutical industries. However, these arguments hardly justify numerous petty and unnecessary restrictions which the Commission has *built into its two regulations.*

Why should the exemption apply only when the exclusivity is granted to rfe-sellers and not when it is granted to re-processors? It surely cannot be in every case anti-competitive to allow the distribution to protect the markets of his dealers? why should the tying of products, profitable only under special circumstances, be prohibited by the Commission? And in exclusive procurement agreements, such as between oil companies and petrol stations *and breweries and tied houses,* why is it important for the Commission that the supplier provides special commercial and financial advantages—the tied house or the petrol station may be better off if it obtained finance and equipment elsewhere? The cost of both is, as *Dr Korah rightly points out,* borne by the consumer.

Powerful suppliers who think it is vital to prevent competitors from reaching the market, will try to acquire their distributors or to establish their own distribution networks by growth. Where the supplier has no great market power and has no hope of closing the market to competition, a distribution agreement would not infringe the competition rules. In these two extreme cases the block exemptions, therefore, will be either ineffective or unnecessary.

There will, of course, be several cases—and by the end of the last year the Commission received some 30,000 notifications—where the companies concerned will not feel sure that they fall into the second category. They will fear fines and difficulties in defending their agreement in national courts where the other party can claim that the agreement is prohibited under Article 85 of the EEC Treaty and consequently void. *They will seek* legal advice and will pay a lot of money for being told that the regulations do not provide much certainty and that to be safe they should either modify or notify their agreements.

This will certainly be good for the lawyers.

**This philosophy is expended in "The Economics of Justice," by Richard A. Posner, Harvard University Press.*

†433 U.S. 35; 53 L Ed. 2d 568.

††"Exclusive Dealing Agreements in the EEC," European Law Centre, 1984.

A. H. Hermann
Legal Correspondent

TECHNOLOGY

EDITED BY ALAN CANE

U.S. DEPARTMENT OF DEFENSE TO SPEND $50m ON UNMANNED WALKING MACHINES

Robots that walk on the wild side

BY PETER MARSH

ENGINEERS in the U.S. have started a $50m project to develop an unmanned vehicle that would steer itself at up to 20 km/hour over virtually any terrain from tarmac to rough countryside.

Rather than navigate around obstacles such as lumps of rock (or ordinary road users), the vehicle will walk over them. Instead of using wheels, engineers will equip the vehicle with four legs, each about two metres tall.

The project has a lot to offer the world's car and factory-equipment industries, claims Mr Roger Schappell, an engineer with Martin Marietta Aerospace in Denver who is one of the programme's managers.

Mr Schappell has already discussed with researchers at General Motors how ordinary cars could be improved by navigation equipment that, for example, detects the presence of obstacles or automatically steers around corners.

Companies that make industrial robots could also benefit from technologies that the programme develops. Most robots in factories stay in fixed positions. But walking machines could open up new opportunities—for instance, they could replace human supervisors in jobs such as inspection of machine tools.

The unmanned vehicle programme is sponsored by the U.S. Defense Advanced Research Projects Agency (DARPA), a division of the Department of Defense. DARPA is paying Martin Marietta $17m to act as project manager for part of the study.

A dozen or so other contractors are working on smaller parts of the project, which is due to end in 1990 with a demonstration of a legged system that can work out for itself how to traverse 20 km of countryside.

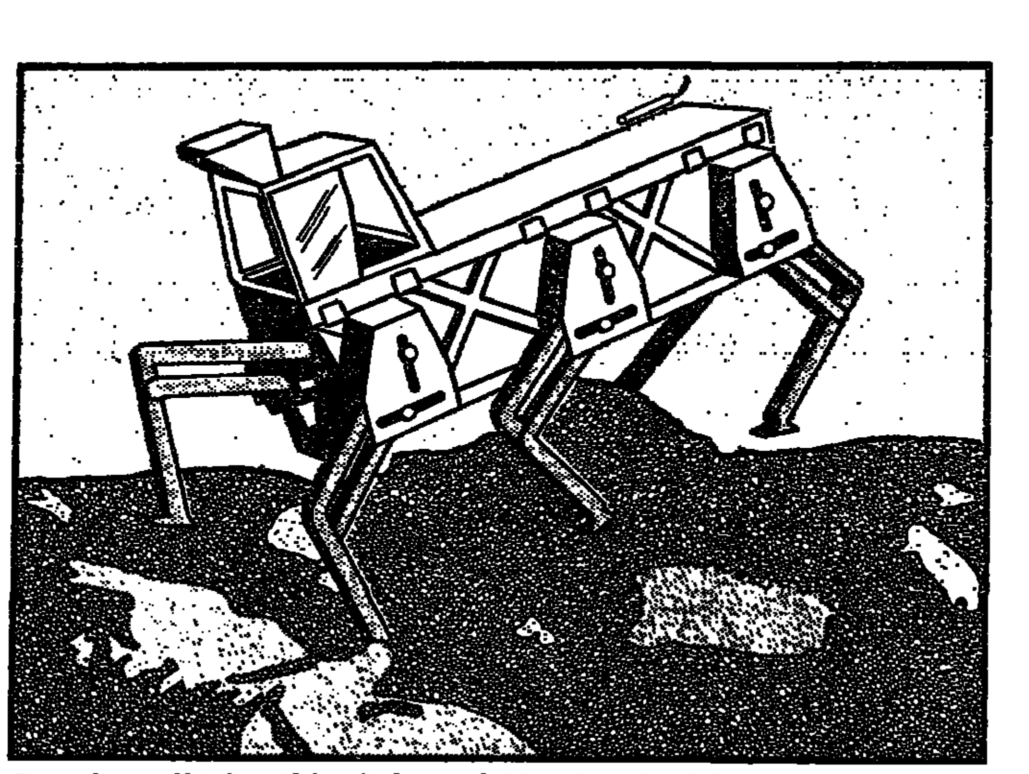
Human operators will command the machine rather as a shepherd controls a dog. Shepherds give their charges relatively undetailed instructions about rounding up sheep, leaving to the animal the minutiae of how to go about the job.

In a similar way, DARPA engineers plan to give their vehicle only simple instructions, for example, to go from point A to point B in the shortest time possible. The computers in the system would work out how to do the task.

In the early stages of the project, engineers would communicate with the vehicle by a keyboard. As a result of research in voice-recognition techniques, they hope later to tell the system what to do simply by talking to it.

According to Dr Clinton Kelly, the DARPA scientist in charge of the programme, the U.S. Army could employ hardware based on the unmanned vehicle. Such equipment could ferry across rough countryside supplies or even weapons. It could act as a mobile sentry or go on mapping missions.

The contraption will be based on work at Ohio State University. There, Dr Bob McGhee, who has worked for 19 years on walking vehicles, is nearing the end of his latest project. This is to design, on behalf of DARPA, a six-legged machine that is 5 metres long and can climb up steps some 2 metres tall.



Researchers at Ohio State University hope to finish work on this six-legged walking machine by the end of the year.

This item of hardware, on which DARPA has spent $3.4m so far, will be assembled by the end of the year. At this point it will become a central part of the unmanned vehicle project.

Dr McGhee's current machine, which he has developed with Professor Kenneth Waldron, will have a driver. This person will control the machine from a cockpit on top of the vehicle. He will steer with a joystick, similar to that used by helicopter pilots.

Each of the contraption's six legs has three joints and its own computer. The vehicle's other nine computers work out its position and channel instructions to the legs.

The device "sees" obstacles in front of it with a scanning mechanism. This sends instructions to the computers that control the legs, in such a way that all the limbs are co-ordinated and the machine does not tumble over like some demented insect.

"The pilot controls the machine like a rider controls a horse," observes Dr McGhee. "People on horses point the animal in the right direction but do not tell it how to trot."

According to Dr McGhee's calculations, the machine (which runs on a converted motorcycle engine) will walk at about 12 km/hour. Petrol consumption will be high, at roughly 1 kilometre a litre.

Over the next few years, engineers plan radically to alter Dr McGhee's current vehicle. They will adapt it so it does not require a driver. Secondly, they will strip off two of its legs. Six-legged machines, though highly stable, would never reach the high speeds that DARPA requires for the 1990s version of the vehicle.

In this part of the programme, DARPA is pinning its hopes on Dr Marc Raibert, a computer scientist at Carnegie-Mellon University in Pittsburgh. Dr Raibert is working on laboratory models of four-legged walking hardware that has a reasonable chance of reaching DARPA's targetted speed of 20 km/h.

The Pittsburgh researcher started in this area with work on a one-legged machine, the so-called "pogo stick" robot. With the proper instructions, he was able to keep this bouncing up and down for minutes on end.

Dr Raibert says that to control the device was much simpler than he thought. Just three factors were important: the speed of the "pogo-stick" over the ground; the height of jumps; and whether the body of the hardware remained upright.

The Environmental Research Institute of Michigan, a company in Ann Arbor, is developing a laser scanner that will give the contraption a three-dimensional picture of its surroundings up to 100 metres away. The information will be supplemented by images from colour TV cameras.

The data from these sensors will be compared with digital images of maps of the terrain that the machine is covering.

Dr Kelly has a detailed schedule for the development of the hardware. By next May, workers hope to demonstrate an unmanned wheeled vehicle than can travel for 10 km along a road at 5 km/hour.

In May 1986, researchers want the hardware to travel at 10 km/along a road studded every 30 metres with obstacles up to 2 metres high.

In 1987, the machine, still on wheels, will be unleashed without an operator across rough country, probably part of the Arizona desert. The crunch will come in 1989 when engineers assemble the two elements of the programme—the work on navigation systems using wheels and the development of the walking machine.

The final version of the hardware, thinks Dr Kelly, will be powered by a gas-turbine engine. But on one small matter, he has not made up his mind. Although defence funds are paying for the project, he thinks the mechanism should not look like a military vehicle. "I don't know what colour we're going to paint it—but it won't be Army green."

MARINE SAFETY

How to detect the deadly mist

BY ANDREW FISHER

DEEP WITHIN the ship, the engine is working away noisily. Elsewhere, the crew goes about its business unconcerned. Suddenly, an explosion shatters the ship's orderly routine.

It is a hazard dreaded by every seafarer. At best, the blast can cause expensive damage to the engine. At worst, it can sink the ship and drown the crew.

Detecting the build up of oil mist is vital if explosions are to be prevented. A UK firm, Product Innovation, has invented a system which it claims can provide almost immediate warning of danger.

Called the QMI Oil Mist Detector, it is described as the first complete solid state instrument to sense oil mists in every *single* crankcase continuously. It thus cuts out time lag.

Vapourised oil mist in the engine means a bearing is overheating in the crankshafts and boiling the lubricating oil. Eventually, if nothing is done, the red-hot bearing will ignite the oil mist and cause an explosion.

Nobody knows just how many fatal or near-fatal ocean disasters stem from such explosions. But they could well explain some of the unexplained losses of large ships in recent years.

Product Innovation, in which London merchant bank Hill Samuel and other financial institutions recently took a 15 per cent stake, thought up the new detector for Quality Monitoring Instruments, part of the privately-owned James Hugh Group.

QMI said the detector was very compact and had a highly centralised monitoring system. It has been tested out on the Woolwich ferry on the Thames.

The detector, to compete with different systems made in the UK, West Germany, and Japan, can be monitored away from the engine room on the bridge. It uses the principle of light scatter rather than the light absorption of other detectors.

It can monitor 12 detection points at once and thus take care, in certain circumstances, of two diesel engines. Tests with a large engine will start soon on a tanker.

The microprocessor monitoring shows up clearly on a screen in green, amber or red, according to the degree of safety or danger. Alarms go off when the flashpoint is neared.

The cost runs from around £4,000, depending on engine size. QMI puts the units' total potential marine market at some 2,500 a year. It also sees enormous scope on land, especially in power stations.

Andrew Fisher

UWIST awarded government contract

Energy saving in factories

THE Welsh School of Architecture, UWIST, has been awarded almost £130,000 by the Department of Energy, and the Science and Engineering Research Council, to develop energy conservation in factories.

"The intention is to bring factory building into the twentieth century," says Professor Patrick O'Sullivan. "So UWIST is evaluating the energy savings obtained at the WDA's new energy saving range of Advance Factories built at Bridgend and Newport."

Factory design already reflects how industry is changing. Units are smaller and they're closer in construction to warehouses than traditional corrugated steel sheds. However, in order to enhance energy efficiency, the new WDA factories have a floor area of only 200 square metres. Integrating office accommodation into the working area adds further savings to the floor space and, as a result, less heat is lost.

Prof O'Sullivan may be contacted at the Welsh School of Architecture, UWIST, King Edward 7th Avenue, Cardiff. Tel: 0222 42588.

Software

MusiCalc's musical footnotes

A COMPUTER program from MusiCalc turns the Commodore 64 into a music synthesiser. The machine can be programmed to allow the user to play along with pre-programmed melodies, to create and store compositions for later playback and to allow music to be amended and altered.

The program developed by Waveform in the U.S. costs £45. It is aimed at the home, education and professional musicians. MusiCalc intends to introduce several music software packages in the coming months. Already available is an automatic musical notations score writer. More details from the company in London on 01-241 2448.

Microcomputers

Information storage

APSTOR based at Portslade, Sussex, has developed a removable cartridge storage system for microcomputers. The company has already won export orders worth more than £300,000. The company says that the Apstor system stores as much information as a hard disk and is intended for back-up storage in case the computer fails.

The company's Alpha 10 system holds 20 Mbytes of storage about the equivalent of 40 paperback books. There are other sizes available. More details from the company on 0273 422512.

MAKER OF THE BBC COMPUTER NOW COMPETES WITH IBM

Acorn enters the business battle

BY ANTHONY QUINN

ACORN COMPUTERS, manufacturer of the highly successful BBC Microcomputer, will this week unveil a new range of eight computers to launch the company into direct competition with established names in the business market. ACT's Sirius and American giant IBM's PC are the targets rather than the QL from Sinclair Research.

More than 350,000 BBC machines have been sold so far, making Acorn Britain's largest micro manufacturer, but few of these have gone into professional business environments. Now the the aim is to change this by using the established BBC technology and adding extra computing power and facilities.

The system is based around a full professional keyboard linked to a monitor with the 6502 processor chip used in the £400 BBC Micro, disc drives and other hardware built into the base. Other chips, "second processors," provide the main computing power in the more expensive micros.

Prices will not be announced until later in the year, but the micros, known as Acorn Business Computers, are likely to fall in a band of £500 to £3000.

At the lower end will be a dedicated wordprocessor, the Personal Assistant, which will be upgradable to rival the recently announced IBM PC AT (Advanced Technology), with the capability to be linked to other Acorn machines through Econet, a local area network system.

Although the computing power will vary considerably across the range, the physical size of the machine will stay constant as the extra hardware for the upgrading will be slotted into the monitor casing. The eight computers are:

- The Terminal, the bottom-of-the-range machine designed solely as an intelligent monitor to interface to an Econet network, viewdata system of mainframe computer. Its specification will be similar to the BBC Micro. It cannot be upgraded, unlike the other micros.
- Personal Assistant. A dedicated wordprocessor with floppy disc drive storage and software included in the machine.
- ABC100 with a Z80 second processor and two 700k disc drives to run standard CP/M business software.

ABC110. As the 100, but with one of the floppy drives replaced with a 10Mb hard disc.

- ABC200 and 210. The Z80 chip of the 100 machines is replaced with the National Semiconductor 32016, a 32-bit processor which will run the Unix operating system developed by American Telephone and Telegraph (AT & T). Unix is seen as having a major role in the future of desk-top micros, especially in industry and universities.
- The flagship ABC300 and 310 micros are based around the same chip as powers the new IBM AT, Intel's 80286. They will use the Concurrent operating system from Digital Research, which has CP/M and MS-DOS variants, giving the user the ability to perform several tasks at the same time.

All eight machines should be available by next summer, and will be on show to the public for the first time at the PCW Show in London's Olympia 2 from today (September 20) to Sunday.

The ABC range will help fulfil the aim of Acorn's managing director, Mr Chris Curry to diversify into the business computer sector, heralded by his company's £5m purchase of Torch Computers in May. It also follows Acorn's success in July in extending for four years the company's contract to produce the BBC Microcomputer.

BASE LENDING RATES

A.B.N. Bank	10½%
Allied Irish Bank	10½%
Amro Bank	10½%
Henry Ansbacher	10½%
Armco Trust Ltd.	11 %
Associates Cap. Corp.	10½%
Banco de Bilbao	10½%
Bank Hapoalim	10½%
BCCI	10½%
Bank of Ireland	10½%
Bank of Cyprus	10½%
Bank of India	10½%
Bank of Scotland	10½%
Banque Belge Ltd.	10½%
Barclays Bank	10½%
Beneficial Trust Ltd.	11½%
Brit. Bank of Mid. East	10½%
■ Brown Shipley	10½%
CL Bank Nederland	10½%
Canada Permn't Trust	10½%
Cayzer Ltd.	10½%
Cedar Holdings	11 %
■ Charterhouse Japhet	10½%
Choulartons	11½%
Citibank NA	10½%
Citibank Savings	¶12 %
Clydesdale Bank	10½%
C. E. Coates & Co. Ltd.	11½%
Comm. Bk. N. East	10½%
Consolidated Credits	10½%
Co-operative Bank	*10½%
The Cyprus Popular Bk	10½%
Dunbar & Co. Ltd.	10½%
Duncan Lawrie	10½%
E. T. Trust	11 %
Exeter Trust Ltd.	11 %
First Nat. Fin. Corp.	12 %
First Nat. Secs. Ltd.	12 %
■ Robert Fleming & Co.	10½%
Rb. Fraser & Ptns Ltd	11 %
Grindlays Bank	‡10½%
■ Guinness Mahon	10½%
■ Hambros Bank	10½%
Heritable & Gen. Trust	10½%
■ Hill Samuel	§10½%
C. Hoare & Co.	†10½%
Hongkong & Shanghai	10½%
Kingsnorth Trust Ltd.	10 %
Knowsley & Co. Ltd.	11 %
Lloyds Bank	10½%
Mallinhall Limited	10½%
Edward Manson & Co.	11½%
Meghraj and Sons Ltd.	10½%
Midland Bank	10½%
■ Morgan Grenfell	10½%
National Bk. of Kuwait	10½%
National Girobank	10½%
National Westminster	10½%
Norwich Gen. Tst.	10½%
People's Tst. & Sv. Ltd.	12 %
R. Raphael & Sons	10½%
P. S. Refson & Co.	10½%
Roxburghe Guarantee	11½%
Royal Bk. of Scotland	10½%
Royal Trust Co. Canada	10½%
■ J Henry Schroder Wagg	10½%
Standard Chartered	‖10½%
Trade Dev. Bank	10½%
TCB	10½%
Trustee Savings Bank	10½%
United Bank of Kuwait	10½%
United Mizrahi Bank	10½%
Volkskas Limited	10½%
Westpac Banking Corp.	10½%
Whiteaway Laidlaw	11 %
Williams & Glyn's	10½%
Wintrust Secs. Ltd.	10½%
Yorkshire Bank	10½%

■ Members of the Accepting Houses Committee.
* 7-day deposits 7.25%, 1-month 8.00%. Fixed rate 12 months £2,500 8.75% £10,000, 12 months 10.00%.
† 7 day deposits on sums of under £10,000 7¼%, £10,000 up to £50,000 8%, £50,000 and over 8¼%.
‡ Call deposits £1,000 and over 7¼%.
§ 21-day deposits over £1,000 8¼%.
¶ Demand deposits 7¼%.
‖ Mortgage base rate.

SECTION III – INTERNATIONAL MARKETS
FINANCIAL TIMES
ØØ
Thursday September 20 1984

Ghost that haunts the futures markets, Page 46

WALL STREET

Attack of blues after early rally

A LATE downturn among blue-chip issues undermined an attempted rally on Wall Street stock markets yesterday, *writes Michael Morgan in New York.*

At the close, the Dow Jones industrial average was down 13.25 at 1213.01, its largest one-day fall since August 15. Trading volume totalled 120m shares, compared with Tuesday's 108m.

Stocks had opened lower amid carry-over selling, in the wake of Tuesday's decline, but later improved in line with higher prices seen in the credit markets. By early afternoon, the Dow was posting a modest advance, but it fell back in the last hour of trading.

Bond prices edged forward from the opening in the wake of economic data indicating that the growth of the U.S. economy may be slowing. The mood was also helped by a federal funds rate that opened at 11⅝ per cent and later slipped 11 9/16 per cent.

But prices moved more strongly ahead after the Fed again entered the market at that level to provide temporary liquidity with an overnight system repurchase arrangement – the 12th time in 14 consecutive trading sessions in which liquidity has been added. The funds rate later eased further to 11¼ per cent.

The Commerce Department's announcement that August housing starts dropped a larger than expected 12.8 per cent – to their lowest level since December 1982 – spurred prices higher in early credit market trading.

Prices of short and intermediate coupon issues later turned 3/32 to 11/32 higher while at the long end, the 12½ per cent of 2014, added 29/32 to 103 17/32.

At the short end, yields on Treasury bills rates were lower. The three-month bill, yielding 10.24 per cent, was eight basis points down, and the six-month bill, yielding 10.28 per cent, was 11 basis points easier. Money market rates were broadly lower.

Late in the day, the Treasury announced that the average yield at its auction of $8.51bn of two-year notes was 11.94 per cent.

In the stock markets, the early dip in the Dow was partially attributed to a $1¾ decline to $57 by General Electric in heavy volume after one analyst removed the stock from his buy list and issued a short-term sell recommendation.

Semiconductor issues were hard hit late in the day after a Merrill Lynch analyst withdrew his strong buy recommendation. Among issues to fall in heavy trading, National Semiconductor shed $1 to $13¾ on volume of almost 2.5m shares, and Intel dipped $2½ to $31⅛ with 1.4m shares traded.

A $2⅛ rise to $34⅞ by Avco prompted a comment from the financial services, Aerospace Insurance and Motion Pictures Group, that it knew of no reason for the activity in its stock.

Texas Instruments shed $1 to $132 after the company said that some tests were not performed according to specifications on certain of its microcircuits, sold to defence contractors. Last week, the Pentagon told up to 80 defence contractors to stop using suspect microcircuits.

General Motors dipped $¼ as talks on a new contract with the United Auto Workers resumed. Ford added $½ to $46¼, and Chrysler edged $⅛ ahead to $30⅞.

Among technology stocks, which were broadly lower on Tuesday, Burroughs continued easier, slipping $¼ to $53¾, but Control Data picked up $½ to trade at $26⅝. Motorola was unchanged at $40⅝.

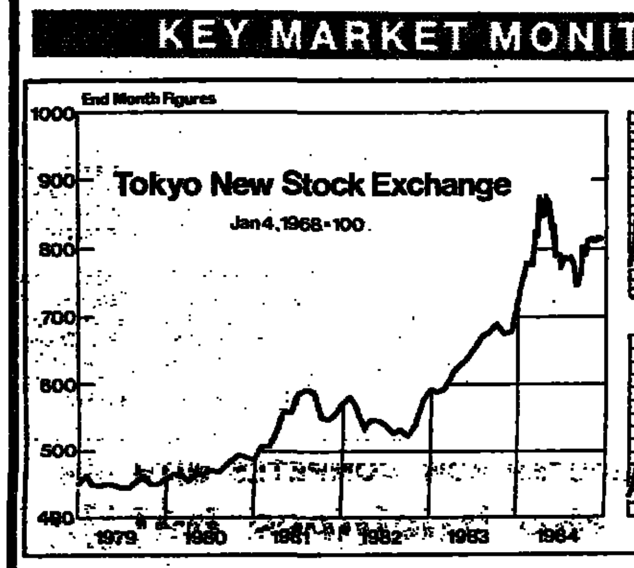
The major steel groups failed to derive much benefit from proposed restraints on foreign imports. U.S. Steel dipped $⅝ to $24⅝, Armco $⅛ to $11½.

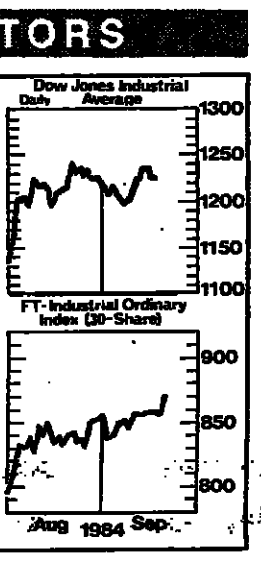
Financial Corporation of America traded unchanged at $8⅝ after the disclosure that California's savings and loan commissioner is to review the $2m severance pay given to the former chairman, Mr Charles Knapp, shortly before he was replaced by Mr William Popejoy.

Among aerospace issues, Gates Learjet fell $1⅜ to $14⅜ following the announcement that it will temporarily suspend output of its commercial business jets and lay off 1,000 of its 3,320 strong workforce. The company said an expected upturn in the business jet markets had yet to materialise.

ITT traded $⅛ lower at $28⅛ as it offered early retirement incentives to 11 per cent of its corporate headquarters staff, in a further effort to reduce its costs.

KEY MARKET MONITORS





STOCK MARKET INDICES

	Sept 19	Previous	Year ago
NEW YORK	Sept 19	Previous	Year ago
DJ Industrials	1,213.01	1,226.26	1,233.94
DJ Transport	521.26	521.37	582.84
DJ Utilities	134.59	133.16	131.45
S&P Composite	166.94	167.65	167.62
LONDON	Sept 19	Previous	Year ago
FT Ind Ord	871.8	858.0	706.0
FT-SE 100	1,125.2	1,109.9	958.5
FT-A All-share	529.51	524.12	446.31
FT-A 500	578.10	570.94	482.41
FT Gold mines	526.2	514.5	651.5
FT-A Long gilt	10.46	10.59	10.33
TOKYO			
Nikkei-Dow	10,552.3	10,559.15	9,141.25
Tokyo SE	816.83	817.08	674.85
AUSTRALIA	Sept 19		
All Ord.	717.1	718.2	717.1
Metals & Mins.	425.3	426.0	581.2
AUSTRIA			
Credit Aktien	54.32	54.22	55.05
BELGIUM			
Belgian SE	162.62	163.17	130.35
CANADA	Sept 19	Prev.	Yr ago
Toronto			
Metals & Minls	1,962.0	1,976.38	—
Composite	2,396.0	2,400.42	2,550.5
Montreal			
Portfolio	118.82	118.89	125.57
DENMARK	Sept 19	Previous	Year ago
Copenhagen SE	176.11	177.31	202.44
FRANCE			
CAC Gen	174.0	173.9	134.2
Ind. Tendance	113.3	113.2	85.79
WEST GERMANY			
FAZ-Aktien	362.34	362.59	309.77
Commerzbank	1,049.1	1,048.7	919.0
HONG KONG			
Hang Seng	983.79	974.92	842.25
ITALY			
Banca Comm.	214.91	214.11	197.57
NETHERLANDS			
ANP-CBS Gen	175.2	174.1	139.3
ANP-CBS Ind	137.6	136.3	110.6
NORWAY			
Oslo SE	n/a	262.97	210.64
SINGAPORE			
Straits Times	892.33	896.82	963.41
SOUTH AFRICA			
Golds	931.9	911.5	910.2
Industrials	853.5	861.0	952.0
SPAIN			
Madrid SE	147.00	147.39	115.37
SWEDEN			
J & P	1,454.78	1,451.42	1,443.61
SWITZERLAND			
Swiss Bank Ind	377.7	378.0	336.4
WORLD	Sept 18	Prev	Year ago
Capital Int'l	182.7	184.2	178.8

GOLD (per ounce)

	Sept. 19	Prev
London	$340.25	$338.00
Frankfurt	$340.50	$336.75
Zurich	$340.25	$337.75
Paris (fixing)	$339.26	$335.47
Luxembourg (fixing)	$340.50	$336.90
New York (Sept)	$340.90	$340.90

* Latest available figure

CURRENCIES

	U.S. DOLLAR		STERLING	
(London)	Sept 19	Previous	Sept 19	Previous
$	–	–	1.237	1.233
DM	3.0945	3.0915	3.83	3.8125
Yen	245.8	246.15	303.75	303.5
FFr	9.495	9.4925	11.76	11.725
SwFr	2.534	2.541	3.135	3.1325
Guilder	3.4895	3.4865	4.3175	4.3
Lira	1906.0	1905.0	2358.5	2362.25
BFr	62.425	62.25	77.2	76.225
C$	1.31705	1.3182	1.62925	1.62525

INTEREST RATES

	Sept 19	Prev
Euro-currencies (3-month offered rate)		
£	10⅞	11 1/16
SwFr	5 7/16	5½
DM	5 11/16	5 11/16
FFr	11⅜	11⅜
FT London Interbank fixing (offered rate)		
3-month U.S.$	11 11/16	11 13/16
6-month U.S.$	11 13/16	11 15/16
U.S. Fed Funds	11½*	11 7/16
U.S. 3-month CDs	11.15*	11.20
U.S. 3-month T-bills	10.25*	10.32

U.S BONDS

Treasury	Sept 19* Price	Sept 19* Yield	Prev Price	Prev Yield
12⅞ 1986	100 21/32	11.98	100 19/32	12.07
13⅜ 1991	106 20/32	12.28	105 28/32	12.42
12⅜ 1994	102 7/32	12.23	101 15/32	12.34
12½ 2014	103 13/32	12.05	102 25/32	12.14
Corporate	Sept 19* Price	Yield	Prev Price	Yield
AT & T				
10⅜ June 1990	91⅝	12.45	91⅜	12.45
3⅞ July 1990	71¼	10.60	71.00	10.60
8⅜ May 2000	73⅛	12.75	73⅜	12.75
Xerox				
10⅞ March 1993	89⅝	12.65	89⅝	12.65
Diamond Shamrock				
10⅜ May 1993	89	12.75	89	12.75
Federated Dept Stores				
10⅜ May 2013	83½	12.80	83½	12.80
Abbot Lab				
11.80 Feb 2013	92⅞	12.80	92⅞	12.80
Alcoa				
12¼ Dec 2012	92⅜	13.25	92⅜	13.25

FINANCIAL FUTURES

CHICAGO	Latest	High	Low	Prev
U.S. Treasury Bonds (CBT) 8% 32nds of 100%				
Sept	69-03	69-06	68-11	68-16
U.S. Treasury Bills (IMM) $1m points of 100%				
Sept	89.78	89.82	89.72	89.81
Certificates of Deposit (IMM) $1m points of 100%				
Sept	88.73	88.76	88.69	88.65
LONDON				
Three-month Eurodollar $1m points of 100%				
Dec	88.76	88.78	88.68	88.64
20-year Notional Gilt £50,000 32nds of 100%				
Sept	105-30	106-15	105-30	105-24

COMMODITIES

(London)	Sept 19	Prev
Silver (spot fixing)	574.60p	572.32p
Copper (cash)	£1,027.00	£1,029.50
Coffee (Sept)	£2,422.00	£2,411.00
Oil (spot Arabian light)	$27.80	$27.82

LONDON

Competition inspires surprises

A SURPRISINGLY strong rally developed during trading in London yesterday as UK institutional and overseas investors competed to buy gilts and blue-chip industrials.

Prices moved forward during most of the session after an uncertain start, and gilts finally gained 1¼ points. Equities were even more impressive, and the FT Industrial Ordinary index recovered an early 2.5 point fall to close up 13.8 at a peak for the day of 871.8.

Exchange rate anxieties, the cause of the market's recent dilemma, cleared as sterling rallied against the dollar. U.S. investors gave strong backing to engineering stocks and were followed by local traders who forced Metal Box up 12p to 336p and TI 6p to 242p.

Sparkling mid-term profits from BAT Industries aided general confidence, and the company's shares finished 14p higher at 281p.

Chief price changes, Page 40; Details, Page 41; Share information service, Pages 42–43

HONG KONG

NEWS of a Sino-British agreement on the future of Hong Kong pushed prices higher towards the close of business, but traders awaited further details before committing themselves.

The Hang Seng index rose 8.87 to 983.79 after easing during the first part of the half-day session.

Apart from the scarcity of detail on the agreement, brokers said the market was in a consolidation phase after the recent strong improvement and these two factors combined to reduce trader enthusiasm for the accord.

Banks were firmer, with Hongkong Bank 5 cents up at HK$6.55 and the Hang Seng unchanged at HK$34.25.

Among property issues Cheung Kong added 10 cents to HK$8.25, Hongkong Kowloon 2.5 cents to HK$3.925 and Sun Hung Kai Properties 5 cents to HK$6.75.

SINGAPORE

A FURTHER EROSION took place in Singapore among a broad section of stocks on a slightly increased turnover. The Straits Times industrial index fell 4.49 to 892.33.

Banks were especially weak, with UOB recording a 12-cent fall to S$4.46 to lead the sector lower. Property stocks were also noticeably weaker as Selangor Properties fell a further 12 cents to S$2.88.

The most active stock was again Pan Electric, which moved against the trend to rise 4 cents to S$3.16.

SOUTH AFRICA

AN IMPROVED bullion price forced gold stocks higher during brisker trading in Johannesburg.

Heavyweight Kloof gained R1.85 to R87 while Vaal Reefs firmed R4 to R156. Mining financials followed the trend, with Anglo American up 50 cents to R21.25 and De Beers up 7 cents to R8.62.

CANADA

OIL AND GAS issues combined with gold shares to inject a measure of strength into Toronto but were insufficient to combat a broad decline elsewhere.

Weaker banks and industrials offset most of the gains in Montreal utilities.

EUROPE

Flurry fails to find broad appeal

THE SUDDEN burst of activity in Germany on Tuesday failed to create many ripples throughout Europe yesterday. Bourses were mixed.

Frankfurt managed to extend some of its recent strength, but the main driving force behind the rally, the rampaging dollar, had subsided. The Commerzbank index, nevertheless, put on 0.4 to 1,049.1.

Car makers still featured, with VW rising DM 3.80 to DM 177.80 and BMW adding DM 1 to DM 399 although Daimler surrendered DM 4 to DM 583.50 following the previous session's surge.

Degussa, the precious metals group and a manufacturer of catalytic converters, benefited again from speculation over the effect of new vehicle pollution controls and rose DM 11.80 to DM 383.

Allianz reached another new high for the year with a DM 16 advance to DM 1,011 on suggestions of an impending corporate reshape, while AEG moved confidently ahead by another DM 2 to DM 107 after its receivership was lifted.

Siemens' DM 3.20 rise was just sufficient to take it to a new high of DM 418 for the year.

Bonds were steady, and the Bundesbank bought a relatively small DM 3.9m of paper after purchases of DM 26.5m on Tuesday.

The prospects of declining local interest rates boosted bonds to another record in **Amsterdam**, while equities closed mixed to lower.

The CBS bond index edged up 0.1 to 102.9 as the average yield on state bonds eased to 7.94 per cent from 7.95 per cent in the previous session.

Hoogovens was sought after and added 40 cents to Fl 59.70, while a number of banks again sparkled, with ABN up Fl 2 to Fl 313.

Boskalis incurred the wrath of a leading firm of London analysts and finished unchanged at Fl 15.80.

End-of-month and end-of-quarter institutional buying steadied **Paris** after an easier opening.

In foods, BSN notched up a FFr 29 rise to FFr 2,549, and Moët-Hennessy reversed the previous FFr 7 decline with a FFr 39 surge to FFr 1,790.

Utilities made a broad advance in a weaker **Brussels** on hopes of a discount rate cut, with Ebes BFr 10 ahead at BFr 2,900 and Electrobel up BFr 20 at BFr 7,980.

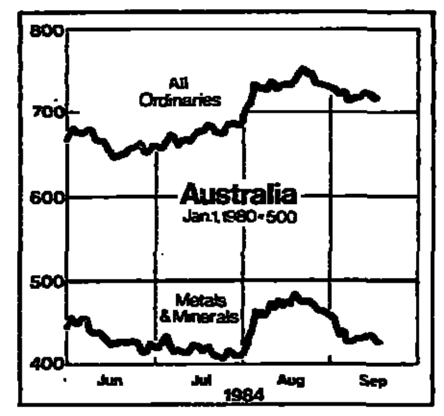
Market leader Petrofina continued to make steady progress with a BFr 10 advance to BFr 7590. Elsewhere, chemicals were mostly steady.

Zurich found a modicum of inspiration from the overnight rally on the German bourses and finished yesterday firmer on fresh overseas buying.

The move by major banks to raise their customer time deposit rates to 4.75 per cent (4.25) eased bonds by up to ¼ point and buoyed bank shares. Insurers and financials remained quiet.

A mixed **Milan** had Fiat L20 stronger at L1806 following its capital restructuring while a broadly lower **Madrid** saw banks mixed, chemicals, electricals and constructions lower and foods higher.

Stagnant trading in **Stockholm** left most sectors mixed.



AUSTRALIA

THE STRENGTH of the dollar gave rise to caution in Sydney and a slow drift down among leading industrial issues. The All-Ordinaries index was 1.1 lower at 717.1, while the metals index eased 0.7 to 425.3.

Although mining stocks were generally weaker, falls were smaller than those recorded during most trading sessions in the past two weeks.

Analysts in London believe that a firmer trend is emerging in metal prices which may underwrite higher profits than have been predicted in recent months. Copper was singled out as having the strongest medium-term future, particularly as international supplies tighten.

Leading copper stocks continued to ease, however, amid overriding concern about the dollar. MIM fell 2 cents to A$2.63, and Bougainville 1 cent to A$1.63.

In a reaction to recent heavy selling and an upswing in the international bullion price, several gold stocks moved forward. Renison added 10 cents to A$2.60, Whim Creek 8 cents to A$2.50 and Gold Mines of Kalgoorlie 30 cents to A$6.

Falls were more marked among major oil and gas issues. Hartogen and Weeks Petroleum shared 10-cent losses to A$2.20 and A$4.40 respectively, while Santos eased 4 cents to A$6.70.

Banks were mixed, with ANZ up 5 cents at A$4.75, National 5 cents down at A$3.28 and Westpac steady at A$3.70.

TOKYO

Electricals dimmed by profit-takers

HEAVY electricals and international populars eased after an overnight Wall Street retreat to drive the Nikkei-Dow market average slightly lower in Tokyo yesterday, *writes Shigeo Nishiwaki of Jiji Press.*

The leading market barometer closed 6.85 down at 10,552.30 after small fluctuations. Trading at 265m shares remained slow, although up from the previous day's 237m. Declines led advances 398 to 272, with 209 issues unchanged.

Profit-taking hit heavy electricals, which led last week's market rally. Toshiba shed Y9 to Y463, Hitachi Y11 to Y856 and Mitsubishi Electric Y6 to Y429.

According to Nikko Securities, foreign sales of Toshiba yesterday and Tuesday amounted to 13m shares, exceeding net purchases of 12m shares by non-residents for the whole of August.

International populars also dipped on light selling, with Honda Motor dropping Y20 to Y1,270 and TDK Y40 to Y5,510.

By contrast, high-priced issues advanced on speculative purchases. Kyocera advanced Y160 to Y6,910 on the strength of its brisk business results.

Japan Air Lines scored a maximum allowable daily gain of Y500 at one point, on speculation of its transfer to private management, reinforced by a strong business performance. But it slackened later on profit-taking, closing at Y5,120, up Y410.

Arabian Oil posted a maximum allowable rise of Y500 to Y5,400, on talks of offshore oil development in China.

Securities companies plan to promote blue chips' popularity to boost the market in the new business year starting in October, but general investors seem reluctant to buy, in view of persistent net sales by non-residents.

General investors sought high-priced issues to take short-term profits amid the fading popularity of biotechnology and other incentive-backed issues.

The yen's rise against the U.S. dollar led to a slight bond market rally, but institutional investors remained on the sidelines awaiting the end of the accounting year and the announcement of U.S. gross national product for July-September, scheduled for today. Exceptions were some *financial institutions*, trading bonds in lots of Y500m to Y1bn each.

The yield on the barometer 7.5 per cent government bond, maturing in January 1993, declined slightly to 7.130 per cent from 7.145 per cent.

NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES

12 Month High	12 Month Low	Stock	Div.	Yld	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
23½	13¼	AAR	.48	2.3	22	137	21⅜	21¼	21¼	−⅛
18⅞	13⅛	AMF	.50	3.0	152	1269	17⅛	16⅞	16⅞	
41¾	24¼	AMR			4	12106	29⅞	27¾	28¾	+⅜
20⅜	18⅛	AMR	pf2.18	11		67	20	20	20	
41½	27½	AMR	pf2.13	7.1		413	31	29¾	30⅜	
25½	22⅞	ANR	pf2.67	11		5	23⅝	23⅝	23⅝	−⅛
16¾	8½	APL				49	9⅛	9⅝	9⅝	−⅛
68⅞	40⅛	ARA	2.10	3.2	13	1816	u67½	66	66⅛	−¼
69¾	44¼	ASA	3a	5.7		363	52⅝	51⅞	52¼	+⅛
30¼	18½	AVX	.32	1.7	12	652	20⅛	18⅝	19¼	−½
53⅛	38¾	AbtLab	1.20	2.7	14	7295	45⅛	44⅛	44⅞	−1
35⅛	23¼	AccoWd	.66	2.0	20	1221	33½	33¼	33½	−¼
27¼	12½	AcmeC	.40	2.5		158	15⅝	15½	15⅝	+⅛
12⅞	6¼	AcmeE	.32b	3.4	15	14	9½	9⅛	9⅛	+⅛
24⅞	11	AdmDg	.04	.2	10	43	18⅛	17⅞	17⅞	−⅛
18¾	15	AdaEx	2.11e	13		74	16⅝	16⅛	16⅛	−¼
18⅞	11⅞	AdmMl	.28	1.9	10	51	14⅝	14½	14⅝	−⅛
22	13½	AdvSys	.80t	4.8	16	42	17¼	17	17	−¼
41⅞	25⅛	AMD			21	5954	39⅛	36⅝	37	−2⅛
15⅛	7⅛	Advest	.12	1.2		32	10⅛	9⅞	10	+⅛
20	9⅝	Aeriflex			11	34	11⅝	11⅝	11⅝	−⅛
39	27¾	AetnLf	2.64	7.4	33	1945	36	35¼	35⅞	−⅛
58¼	54	AetL	pf5.79e	10		182	55⅛	55⅛	55⅛	+⅛
34½	15¼	Ahmns	1.20	5.2	6	3802	23	22½	22⅞	
5½	2⅞	Aileen				67	3⅛	3	3	
49⅝	36½	AirPrd	1	2.1	10	871	47⅛	46⅛	47⅛	+1
30⅞	13	AirbFrt	.60	3.4	10	66	17¾	17⅜	17½	−⅛
3¼	1½	AlaMoa	.50e	15		110	3⅜	3¼	3⅜	+⅛

Continued on Page 39

AMERICAN STOCK EXCHANGE COMPOSITE CLOSING PRICES

12 Month High	Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Continued on Page 40

NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES

Continued from Page 38

12 Month High	Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 per cent or more has been paid, the year's high-low range and dividend are shown for the new stock only. Unless otherwise noted, rates of dividends are annual disbursements based on the latest declaration.

a–dividend also extra(s). b–annual rate of dividend plus stock dividend. c–liquidating dividend. cld–called. d–new yearly low. e–dividend declared or paid in preceding 12 months. g–dividend in Canadian funds, subject to 15% non-residence tax. i–dividend declared after split-up or stock dividend. j–dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting. k–dividend declared or paid this year, an accumulative issue with dividends in arrears. n–new issue in the past 52 weeks. The high-low range begins with the start of trading. nd–next day delivery. P/E–price-earnings ratio. r–dividend declared or paid in preceding 12 months, plus stock dividend. s–stock split. Dividends begins with date of split. sls–sales. t–dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date. u–new yearly high. v–trading halted. vi–in bankruptcy or receivership or being reorganised under the Bankruptcy Act, or securities assumed by such companies. wd–when distributed. wi–when issued. ww–with warrants. x–ex-dividend or ex-rights. xdis–ex-distribution. xw–without warrants. y–ex-dividend and sales in full. yld–yield. z–sales in full.

WORLD STOCK MARKETS

AUSTRIA

Sept. 19	Price Sch.	+ or −
Creditanstalt	211	+2
Goesser	322	.....
Interunfall	400	.....
Laenderbank	218	+1
Perlmooser	343	+1
Steyr-Daimler	148	−2
Veitscher Mag.	226	−1

BELGIUM/LUXEMBOURG

Sept. 19	Price Frs.	+ or −
ARBED	1,700	−10
Banq Int A Lux	6,400	..
Bekaert B	4,650	−10
Ciment CBR	2,705	+198
Cockerill	290	−13
Delhaize	5,670	+20
EBES	2,900	+10
Electrobel	7,980	+20
Fabrique Nat	2,120	−18
GB Inno BM	3,365	−25
GBL (Brux)	2,370	−30
Gevaert	3,550	.
Hoboken	6,900	+80
Intercom	2,260	..
Kredietbank	7,200	.
Pan Hldgs.	10,350	+50
Petrofina	7,790	+10
Royale Belge	9,400	..
Soc. Gen. Banq	3,206	−35
Soc. Gen. Belge	1,890	−30
Sofina	7,100	−10
Solvay	4,400	−45
Traction el.	4,080	−40
UCB	5,450	−40
Vieille Mont.	4,700	

DENMARK

Sept. 19	Price Knr %	+ or −
Aarhus Olie	435	..
Andelsbanken	237	−2
Baltic Skand	545	−5
CopHandelsbank	248	−4
D. Sukkerfab	630	−5
Danske Bank	241	−4
East Asiatic	165	−4
Forenede Brygg.	850	
Forenede Damp.	65	
GNT Hldg	415	..
I.S.S.B.	404	−1
Jyske Bank	459	+10
Novo Ind.	1,945	−30
Privatbanken	220	−1
Provinsbanken	308	−2
Smidth (F.)	215	+4
Sophus Berend	935	...
Superfos	455	−2

FRANCE

Sept. 19	Price Frs.	+ or −
Emprunt 4½% 1975	1,710	−0.1
Emprunt 7% 1973	9,026	+24
CNE 3%	5,680	+10
Air Liquide	544	−5
BIC	462	−4
Bouygues	630	−6
BSN Gervais	2,549	−29
CIT-Alcatel	1,172	−6
Carrefour	1,580	
Club Mediter'n	1,045	+19
CFAO	640	−12
Cie Bancaire	659	−11
Cofimeg	221	−1
Darty	1,061	+1
Dumez S.A.	700	−4
Eaux (Cie Gen)	517	−3
Elf-Aquitaine	230.5	−1.6
Gen. Occidentale	695	−4
Imetal	81.7	+1
Lafarge Coppee	341	+2
L'Oreal	2,502	−11
Legrand	1,965	−3
Maisons Phenix	190	−3
Matra S.A.	1,540	−55
Michelin B	872	−2
Midi (Cie)	1,664	−16
Moet-Hennessy	1,790	−39
Moulinex	96.5	−0.7
Nord Est	55	+0.6
Pernod Ricard	795	−3
Perrier	501	−1
Petroles Fra.	212.5	−3.5
Peugeot S.A.	221.5	−2.5
Poclain	49.2	−1.9
Printemps Au.	157.5	−5
Radiotech	210	−4
Redoute	1,197	+7
Roussel-Uclaf	1,500	−10
Sefimeg	246	−2
Skis Rossignol	1,500	−5.5
Telemech. Elect.	1,420	−20
Thomson-CSF	351	−2
Valeo	245.9	−1.1

GERMANY

Sept. 19	Price Dm.	+ or −
AEG-Telef.	107	+2
Allianz Vers.	1,011	+16
BASF	156.8	−0.7
Bayer	171.8	.
Bayer-Hypo	285	−1
Bayer-Verein	320.5	−2.5
BHF-Bank	254	.
BMW	399	+1
Brown Boveri	206.5	.
Commerzbank	168	+1.3
Cont'l. Gummi	129.8	+5.5
Daimler-Benz	583.5	−4
Degussa	383	+11.8
D'sche Babcock	172	+1.8
Deutsche Bank	355.5xr	−0.4
Dresdner Bank	168.4	−1.8
GHH	159	−7.7
Hochtief	486	.
Hoechst	175.6	−0.5
Hoesch Werke	99.3	−0.7
Holzmann (P)	380	−6
Horten	178	+0.5
Kali und Salz	235.7	−2.8
Karstadt	249.5	+2
Kaufhof	229	...
KHD	253	−0.5
Kloeckner	62.6	−0.4
Krupp	82	+2
Linde	368	..
Lufthansa	162	−0.8
MAN	155	−3
Mannesmann	155.5	−1.5
Mercedes Hld.	517	−3
Metallgesell	219	−3
Muench Rueck	1,198	+17
Preussag	251.5	−1
Rhein West Elect	164	−1.3
Rosenthal	250	+3
Schering	399	−4
Siemens	418	+3.2
Thyssen	80	−1
Varta	176	
Veba	167.2	−1.6
V.E.W.	119.9	−0.1
Verein-West	296	+1
Volkswagen	177.8	+3.8

ITALY

Sept 19	Price Lira	+ or −
Banca Com'le	16,990	−35
Bastogi IRBS	142	−2
Centrale	1,815	−10
Credito Varesino	3,870	
Fiat	1,806	+20
Finsider	38.75	.
Generali Assicur	32,110	+160
Invest	2,790	−10
Italcementi	50,800	+800
Montedison	1,174	+1
Olivetti	6,867	−13
Pirelli Co	3,015	.
Pirelli Spa	1,745	−30
Snia BPD	1,843	−5
Toro Assic.	11,940	+150
do. Pref	8,920	+100

NETHERLANDS

Sept. 19	Price Fls	+ or −
ACF Holding	191	−1
AEGON	122.5	−0.5
Ahold	198.7	+0.2
AKZO	96.0	+0.2
ABN	313	−2
AMEV	176.0	−1.3
AMRO	61.2	+0.2
Bredero Cert.	165	−1
Bos Kalis Westm.	15.8	..
Buehrmann Tet.	68	
Calland Hldgs.	31.7	+1.0
Credit Lyon'is Bk	54.8	−0.8
Elsevier NDU	98.0	−0.4
Gist Brocades	170.5	−1.5
Heineken	139.2	−0.8
Hoogovens	59.7	−0.4
Hunter Douglas	31	.
Int Mueller	41.0	+1.6
KLM	195.5	...
Naarden	43.7	
Nat Ned Cert	230.3	−2.7
Ned Mid Bank	142.7	+0.9
Nedlloyd	148.9	+1.1
Oce Grinten	257.0	+0.5
Ommeren (Van)	27.3	+0.4
Pakhoed	60.5	−0.4
Philips	54.7	−0.2
Rijn Schelde	1.6	+0.1
Robeco	66.8	−0.4
Rodamco	133.8	−0.1
Rolinco	64.1	−0.8
Rorento	208	
Royal Dutch	174.4	+0.1
Unilever	288.6	+0.1
VMF Stork	131.5	+1.5
VNU	176.3	−2.4
West Utr Bank	91.6	−0.1

NORWAY

Sept. 18	Price Kroner	+ or −
Bergens Bank	148	−0.5
Borregaard	299	−1
Christiania Bank	149	−1
Denkorske Cred	149	.
Elkem	124	−1
Norsk Data	340	+10
Norsk Hydro	635	−3
Storebrand	199	−5

SPAIN

Sept. 19	Price Pta %	+ or −
Bco Bilbao	354	.
Bco Central	362	...
Bco Exterior	210	
Bco Hispano	250	+4
Bco Santander	332	−1
Bco Vizcaya	415	−6
Dragados	175	−3
Hidrola	75.2	−1.3
Iberduero	79.7	−0.3
Petroleos	164.5	−2.0
Telefonica	102	

SWEDEN

Sept. 19	Price Kronor	+ or −
AGA	363	+15
Alfa-Laval	207	
ASEA (Free)	410	+10
Astra (Free)	475	..
Atlas Copco	106	−1
Boliden (Free)	380	...
Cardo (Free)	280	+5
Cellulosa	122	+1
Electrolux B	242	+1
Ericsson	354	−1
Esselte	305	
Mo Och Domsjo	300	
Pharmacia	214	−1
Saab Scania Free	540	.
Sandvik	405	
Skandia	320	+1
Skan Enskilda	54.5	.
SKF	165	−2
St Kopparbergs	176	−1
Sven Handelsbn.	176	−1
Swedish Match	323	
Volvo B (Free)	237	−1

SWITZERLAND

Sept. 19	Price Frs.	+ or −
Alusuisse	780	
Bank Leu	3,640	+40
Brown Boveri	1,360	+10
Ciba Geigy	2,480	.
do. (Part Certs)	1,970	−20
Credit Suisse	2,180	−35
Elektrowatt	2,540	−20
Fischer (Geo.)	605	−2
Genevoise	3,475	+5
Hoff-Roche PtCts	93,250	−250
Hoff-Roche 1/10	9,350	+25
Jacobs Suchard	6,000	−25
Jelmoli	1,880	−10
Landis & Gyr	1,455	.
Nestle	5,300	
Oer-Buehrle	1,240	−5
Pirelli	260	
Sandoz (Br)	6,950	−25
Sandoz (PtCts)	1,080	−3
Schindler (PtCts)	685	+15
Swissair	973	−8
Swiss Bank	336	−2
Swiss Reinsce.	7,600	−50
Swiss Volksbk.	1,350	+10
Union Bank	3,400	−10
Winterthur	2,990	−40
Zurich Ins.	17,100	−75

AUSTRALIA

Sept. 19	Price Aust $	+ or −
ANZ Group	4.75	+0.05
Acrow Aust	1.6	
Alliance Oil Dev.	0.94	
Ampol Pet.	1.6	−0.05
Aust Cons Ind.	1.83	
Aust. Guarantee	2.85	−0.1
Aust. Nat. Inds	2.35	+0.02
Aust. Paper	2.25	−0.01
Bell Group	4.3	−0.15
Bond Corp Hldgs	1.4	−0.06
Boral	3.85	+0.05
Bougainville	1.63	+0.01
Brambles Inds.	3.12	+0.02
Bridge Oil	2.65	−0.06
B.H. Prop.	10.0	...
CRA	4.78	
CSR	3.10	.
Carlton Utd.	4.30	..
Castlemaine Tys.	4.42	−0.05
Coles (G.J.)	3.95	+0.02
Comalco "A"	2.1	−0.02
Consolidated Pet	0.42	−0.01
Costain Aust	1.5	
Dunlop Aust.	1.88	−0.01
E.Z. Inds.	6.1	.
Elders IXL	3.9	+0.02
Energy Res.	1.55	−0.01

AUSTRALIA (continued)

Sept. 19	Price Aust. $	+ or −
Gen Prop Trust	2.15	
Hardie (James)	3.25	−0.05
Hartogen Energy	2.2	−0.1
Herald W'yTimes	3.9	..
ICI Aust.	2.03	
Jimberlana F.P.	0.25	−0.02
Kia Ora Gold	0.12	−0.01
Lend Lease	6.12	+0.06
MIM	2.65	−0.02
Mayne Nickless	2.9	+0.02
Meekatharra	0.72	.
Myer Emporium	1.89	
Nat. Com. Bk	3.26	−0.02
News	10.00	..
Nicholas Kiwi	4.25	
North Bkn Hill.	2.14	−0.01
Oakbridge	0.82	−0.02
Otter Expl.	0.45	−0.02
Pancont'l	1.25	
Pioneer Conc.	1.64	−0.02
Queensland Coal	1.18	+0.02
Reckitt & Coln.	2.85	
Repco	1.18	
Santos	6.7	−0.04
Smith (Howard)	3.85	..
Southland Min'g.	0.29	
Spargos Expl.	0.4	.
Thos. Natwide.	1.68	−0.05
Tooth	5.60	...
Vamgas	3.8	+0.05
Western Mining	2.98	−0.1
Westpac Bank	3.7	
Woodside Petrol.	1.24	−0.01
Woolworths	2.42	
Wormald Intl	2.8	−0.04

HONG KONG

Sept. 19	Price H.K.$	+ or −
Bank East Asia	21	−0.2
Cheung Kong	8.25	+0.1
China Light	13.4	+0.4
Hang Lung Devel	2.3	
Hang Seng Bank	34.25	....
HK Electric	6.10	..
HK Kowloon Wh.	3.92	−0.02
HK Land	2.95	+0.05
HK Shanghai Bk.	6.55	+0.05
HK Telephone	44.50	.
Hutchison Wpa.	12.4	+0.3
Jardine Math.	8.85	+0.05
New World Dev.	3.47	+0.07
Orient O'seas.	2.55	....
Oseas Trust Bk.	3.02	+0.02
SHK Props.	6.75	−0.05
Swire Pac A.	17.2	−0.1
Wheel'k Mard A.	3.82	+0.05
Wheel'k M'time	1.9	..
World Int. Hldgs.	2.25	.

JAPAN

Sept. 19	Price Yen	+ or −
Ajinomoto	1,180	−10
Alps Electric	2,370	+20
Amada	1,300	+20
Asahi Chem.	556	−11
Asahi Glass	820	
Bridgestone	580	−10
Canon	1,380	+20
Casio Comp.	1,470	−10
Chugai Pharm.	996	
Citizen	570	−10
Daiei	635	+10
Dai Nippon Ptg	995	+4
Daiwa House	510	+4
Ebara	330	.
Eisai	1,260	−20
Fanuc	10,610	+120
Fuji Bank	936	−2
Fuji Film	1,720	−10
Fujisawa	1,040	.
Fujitsu	1,390	..
Green Cross	1,600	−30
Hasegawa	355	−2
Heiwa Real Est	550	−5
Hitachi	856	−11
Hitachi Credit	1,220	−10
Honda	1,270	−20
House Food	720	−1
Hoya	2,260	−30
Itoh (C)	283	..
Ito. Yokado	2,190	+50
Iwatsu	1,540	−10
JACCS	530	−10
JAL	5,120	+410
Jusco	796	−4
Kajima	274	−1
Kao Soap	732	−3
Kashiyama	600	...
Kirin	533	+5
Kokuyo	1,050	−45
Komatsu	454	+1
Konishiroku	614	+9
Kubota	333	+1
Kumagai	455	+7
Kyoto Ceramic	6,910	+160
Maeda Const	470	
Makino Milling	1,470	
Makita	1,100	−10
Marubeni	315	+9
Marudai	601	−2
Marui	1,200	
MEI	1,670	
M'ta Elec Works	650	−9
M'bishi Bank	910	−2
M'bishi	559	
M'bishi Elec.	429	−6
M'bishi Estate	463	−2

JAPAN (continued)

Sept. 19	Price Yen	+ or −
MHI	229	−1
Mitsui Co	327	+3
Mitsui Estate	640	−10
Mitsukoshi	370	
NGK Insulators	861	−9
Nihon Cement	235	−3
Nippon Denso	1,540	
Nippon Elect.	1,360	−10
Nippon Express	305	...
Nippon Gakki	1,020	−55
Nippon Kokan	140	..
Nippon Oil	900	−4
Nippon Seiko	580	.
Nippon Shimpan	628	−3
Nippon Steel	151	−1
Nippon Suisan	320	−1
NTV	13,250	+750
Nippon Yusen	232	−3
Nissan Motor	605	−3
Nisshin Flour	490	+5
Nisshin Steel	168	−3
Nomura	719	−2
Olympus	1,110	−20
Orient Leasing	3,830	−40
Pioneer	2,700	−10
Renown	618	−5
Ricoh	979	−10
Sankyo	860	+30
Sanyo Elect.	509	.
Sapporo	376	−2
Sekisui Prefab	597	+11
Seven-Eleven	8,590	−100
Sharp	1,140	...
Shimadzu	615	+12
Shionogi	665	−6
Shiseido	1,140	−10
Sony	3,720	...
Stanley	840	+7
S'tmo Bank	920	+10
S'tomo Elect.	888	−7
S'tomo Marine	400	−7
S'tomo Metal	157	
Taihei Dengyo	460	−13
Taisei Corp	201	−3
Taisho Pharm.	922	−12
Takeda	750	...
TDK	5,510	−40
Teijin	397	−3
Teikoku Oil	690	+16
Tokyo Marine	592	−10
TSS	811	+26
Tokyo Elect Pwr.	1,160	−10
Tokyo Gas	148	+1
Tokyo Sanyo	705	−7
Tokyo Style	755	
Tokyu Corp.	270	−2
Toppan Print	840	−10
Toray	410	−6
Toshiba Elect.	463	−9
TOTO	505	
Toyo Seikan	774	−7
Toyota Motor	1,380	
Victor	2,230	−60
Wacoal	774	−7
Yamaha	673	.
Yamanouchi	1,470	
Yamazaki	655	
Yasuda Fire	282	−4
Yokogawa Bdge.	419	−1

SINGAPORE

Sept. 19	Price $	+ or −
Boustead Hldgs.	2.05	−0.01
Cold Storage	3.18	−0.02
DBS	7.95	....
Fraser & Neave	5.6	.
Genting	5.25	−0.1
Haw Par. Bros.	2.13	−0.01
Inchcape Bhd.	2.78	−0.02
Keppel Shipyard	2.04	
Malay Banking	8.8	+.25
Malay Brews.	6.95	−0.05
Multi Purpose	1.05	−0.01
OCBC	9.4	−0.1
OUB	3.96	−0.04
Sime Darby	2.11	−0.03
Straits St'mship.	1.15	−0.04
Straits Trdg.	6.7	−0.05
UOB	4.46	−0.12

SOUTH AFRICA

Sept. 19	Price Rand	+ or −
Abercom	1.3	..
AE&CI	7.45	...
Anglo Am Coal	34.75	..
Anglo Am Corp	21.25	+0.5
Anglo Am Gold	153	..
Barclays Bank	15.25	−0.25
Barlow Rand	10.4	..
Buffels	73.5	+1
CNA Gallo	2.0	−0.05
Currie Finance	3.25	−0.05
De Beers	8.62	+0.05
Driefontein	49	+1.5
FS Geduld	50.75	+0.75
Gold Fields SA	25.5	+1
Highveld Steel	4.25	..
Nedbank	10.7	−0.2
OK Bazaars	12.6	−0.15
Protea Hldgs	1.65	....
Rembrandt	24.5	..
Rennies	12.75	
Rust Plat	13.65	.
Sage Hldgs	7.2	
SA Brews	5.6	−0.15
Smith (CG)	18	+0.2
Tongaat Hulett	6.75	
Unisec.	4.95	+0.1

NOTES — Prices on this page are as quoted on the individual exchanges and are last traded prices. Dealings suspended. xd Ex dividend. xc Ex scrip issue. xr Ex rights. xa Ex all.

OVER-THE-COUNTER *Nasdaq national market, closing prices*

[illegible]

LONDON

Chief price changes
(in pence unless otherwise indicated)

RISES

Exch. 10pc 1989	£93⅞	+ ⅞
Tr. 12½pc 03/05	£116⅝	+ 1¼
BAT Inds.	281	+14
Birmid Qualcast	94½	+ 7½
Blue Circle	415	+ 7
Bridgewater Est.	315	+35
Brit. Aero	343	+ 8
Fisons	248	+15
House of Fraser	272	+ 6
K. Brookes	275	+20
Lee (Arthur)	27	+ 4½
Metal Box	336	+12
Meyer Intl.	119	+ 9
Midland Bank	337	+12
Saga Holidays	138	+ 8
Sumrie Clothes	78	+ 8
TI	242	+ 6
Tate & Lyle	385	+12
Thorn EMI	425	+15
Lasmo	346	+18
Saxon Oil	405	+20
Geevor Tin	187	+ 5
GM Kalgoorlie	400	+20
Randfontein Est.	£88	+ 1⅞
Vaal Reefs	£75¼	+ 1½

FALLS

Barratt Devs.	84	− 4
Britannia Arrow	69	− 5
Peel Hldgs.	274	−10
Cons. G Fields	465	− 9
RTZ	569	−16

Continued on Page 48

CANADA

TORONTO
Closing prices September 19

[illegible]

MONTREAL
Closing prices September 19

[illegible]

AMERICAN STOCK EXCHANGE CLOSING PRICES

Continued from Page 39

[illegible]

LONDON STOCK EXCHANGE

MARKET REPORT

Market scene transformed by rush of domestic institutional and overseas demand

Account Dealing Dates
Option

*First Dealings	Declarations	Last Dealings	Account Day
Sept 3	Sept 13	Sept 14	Sept 24
Sept 17	Sept 27	Sept 28	Oct 8
Oct 1	Oct 11	Oct 12	Oct 22

* "New-time" dealings may take place from 9.30 am two business days earlier.

In a surprising turn of events after Tuesday's depressing session on the London Stock Exchange, UK institutional operators competed with overseas investors to buy Government bonds and blue chip industrials yesterday. Values consequently staged a remarkable turnabout from an uncertain opening and Gilt-edged securities finally regained 1¼ points. Equities were even more impressive and the FT Industrial Ordinary share index recovered an early 2.5 fall to close a net 13.8 up at the day's highest of 871.8.

Exchange rate anxieties, the root cause of the market's recent dilemma, cleared as sterling rallied yesterday against the dollar. Gilt-edged benefited from the flow back of speculative currency funds, but the surprising development was the rush of buying for leading shares, especially Engineering stocks. American investors were unexpectedly strong buyers of TI and Metal Box and, not to be outdone, the domestic institutions began to seek stock.

Dealers were caught holding short book positions and shares raced higher. The transformed late-morning market scene was assisted by sparkling mid-term profits from BAT Industries, another U.S. favourite, and by a general interest for any manufacturing or financial group with known overseas earnings potential. Although turnover faded later, the strong tone continued in the after-hours' trade, despite Wall Street's resumed easiness yesterday.

Bearish news was disregarded including doubts that the Government would be able to hold down public sector borrowing to the Budget forecast. Longer-dated stocks led the charge higher in Gilts and achieved gains extending to nearly 1¼ points before easing just before the close. The shorts were actively traded and similarly settled a touch below the best with rises stretching to ⅜. Index-linked stocks also participated in the movement, but could only register improvements of ½.

Clearers firm

A squeeze on professional bear positions helped the major clearing banks move higher. Midland closed 12 up at the day's best of 337p, while Lloyds, 487p, and NatWest, 507p, both gained 9. Barclays firmed 10 to 493p.

Insurances passed another quiet session. Composites achieved modest gains, General Accident closing 5 dearer at 450p and Sun Alliance a couple of pence better at 357p. Lloyds brokers continued to reflect their overseas earnings potential. C. E. Heath rose 6 more to 493p and Sedgwick firmed 3 afresh to 280p. USM-quoted Dewey Warren added 3 for a two-day gain of 7 to 150p.

Jaguar shares were actively traded again and the price moved up to its best level yet of 191p prior to closing 3 higher on balance at 190p.

Among Buildings, Redland remained under selling pressure and fell to 256p prior to closing a couple of pence cheaper at 260p, a two-day fall of 10. Tarmac, still overshadowed by the uninspiring interim results, gave up 6 more to 440p. In contrast, Blue Circle firmed 7 to 415p and Rugby Portland Cement gained 3 to 121p as fears about competition from imported cement receded. Elsewhere, Barratt Developments shed 4 to 84p, after 82p, following comment on the annual results, but takeover hopes continued to buoy Ward Holdings, up 5 at 144p. Galliford, awaiting news of the recent bid approach, put on 4 to 63p. The Timber sector was highlighted by Meyer International which attracted good support and rose 9 to 119p in the wake of a recent lunch with brokers Cazenove.

A combination of small American and domestic buying took ICI up 8 to 644p. Laporte rose 7 to 342p awaiting today's half-timer, while comment on the interim figures prompted support for Brent Chemicals which firmed 5 to 101p. Press mention stimulated Coalite, up 4 at 188p.

Frasers up again

Leading Stores closed with gains extending to double-figures; much of the business was transacted around mid-day, however, and dealers expressed disappointment as activity tailed off later. Gussies "A" rose 10 to 540p, while Burton returned to favour with a gain of 3 at 288p. *House of Fraser*, which announced better-than-expected interim figures on Tuesday, improved 6 more to 272p as investors looked towards the annual meeting scheduled for September 28. Lonrho firmed a penny more to 146p.

Speculative counters again dominated proceeding among second-line Stores. Sumrie Clothes continued to attract support and rose 8 for a two-day gain of 13 at 76p. Our Price responded to late demand with a gain of 8 at 258p, while Alfred Preedy put on 4 to 114p. Owen Owen hardened a few pence to 168p, the increased first-half loss being outweighed by the company's encouraging view on second-half trading. Combined English rose 3 to 85p on the disclosure that discretionary clients of Warburgs account for around 15 per cent of the equity; the interim figures are due next Tuesday.

Leading Electricals put on a fine performance. GEC attracted buyers at 222p, up 8, while Plessey, helped by a broker's comment on the company's long-term outlook, improved 4 further to 220p. Thorn EMI advanced 15 to 425p following news of the agreement to acquire the world-wide business of EPS Consultants. STC rose 8 to 266p, while Bowthorpe firmed 5 more to 335p. USM stocks were featured by a rise of 13 to 178p in Applied Holographics.

Aggressive buying, originating initially from the U.S., left TI 6 to the good at 242p. Other leading Engineers also made headway with Hawker, also an American favourite, touching 450p before settling 7 higher on the day at 446p. GKN improved 5 to 182p. Renewed bid speculation left Birmid Qualcast 7 to the good at 94½p, after 96p, while A. Lee, also the subject of speculative demand, put on 4½ to 27p. Babcock, helped by its overseas earnings, improved 4 to 142p. Folkes Hefo, up a penny at 21½p, and Jones and Shipman, 2 higher at 54p, both improved following interim trading statements.

Leading Foods met with selective demand. Tate and Lyle stood out with a gain of 12 at 385p, while United Biscuits firmed 5 to 152p. Revived speculative demand lifted William Low 11 to 488p and Argyll hardened 2 to 188p following a mildly encouraging annual meeting. Elsewhere, USM-quoted E. T. Sutherland hardened a couple of pence to 112p following satisfactory interim results.

Talk that Hawley Group had built a near-5 per cent stake prompted fresh demand for take-over favourite Kennedy Brookes which rose 20 to 275p, after 278p, in a market short of stock. Savoy issues were in demand, the "A" firming 4 to 286p and the "B" rising 6 points to £68.

Metal Box bought

Domestic buying which followed hard on the heels of U.S. demand brought strength in Metal Box, which settled 12 up but a shade below the best at 336p. Other U.S. favourites to show to advantage included Beecham, 7 dearer at 360p, British Oxygen, 4 up at 231p, and Glaxo, 5 to the good at 980p, after 985p. Hanson Trust improved afresh to 244p before settling only 3 dearer on balance at 241p. Elsewhere in the miscellaneous industrial sector, Fisons met with persistent buying following comment on the interim figures and closed 15 to the good at 248p, after 235p. British Aerospace were briskly traded up to 348p before settling 8 higher on the day at 343p. BET improved 5 to 268p following news of the proposed acquisition of Anglian Windows. Sears were supported and rose 3 to 81½p, while Barrow Hepburn closed fractionally dearer at 41p after the interim statement. Late demand left Pentland 20 higher at 185p.

Reports that final approval is expected shortly on the Hong Kong handover to China encouraged buying of Hong Kong stocks. China Light put on 5 to 139p and Hutchison Whampoa 4 to 129p.

Recently the subject of favourable Press comment, Saga Holidays drew fresh support and gained 8 to a 1984 peak of 138p.

Lucas Industries continued to fluctuate in the absence of developments related to recent rumours of bid possibilities; down to 220p in the early business, Lucas rallied to close a net penny to the good at 225p. Armstrong Equipment were lively following the impressive annual profits recovery and increased dividend, moving between 29p and 31½p before settling a fraction cheaper on balance at 30½p. Automotive Products were marked down to 48p on the proposed job cutbacks at its Leamington, Banbury and Birmingham plants, but rallied to close only 3 off on balance at 51p.

Leading Properties edged forward in the absence of sellers. Secondary issues were highlighted by Bridgewater Estates which jumped to 320p prior to closing a net 35 up at 315p following the agreed offer, currently worth 326p per share, from Peel Holdings, 10 down at 274p. Elsewhere, Reliable Properties attracted speculative demand in a restricted market and moved up 25 to 115p. Trafford Park Estates firmed 4 to 174p in reply to the satisfactory annual results.

P and O Deferred eased 3 to 239p following the announcement that Sterling Guarantee Trust now controls 19.9 per cent of the shipping group. SGT, headed by P and O chairman Mr Jeffrey Sterling, firmed a penny to 53½p.

Textile movements continued to favour holders. Courtaulds maintained steady progress and closed with a gain of 2 at 129p, while Dawson International hardened a similar amount to 226p. Hugh Mackay firmed 3 to 67p following increased first-half earnings and the company's confident outlook. Buyers also displayed renewed interest in Robert H. Lowe, 3 dearer at 30p, but Sirdar, which recently revealed disappointing preliminary figures, eased 2 more to a 1984 low of 112p. Coats Patons touched 129p in immediate response to the 27 per cent expansion in interim profits, but eased later to close a net penny off at 125p.

Tobaccos proved to be one of the day's more lively sectors. Bats advanced 14 to 281p, after 283p, with sentiment boosted by interim profits some £50m above general expectations. Imps, 174p, and Rothmans, 157p, both rose 4 in sympathy.

BP advance

Market rumours of an oil discovery off the coast of China—coming hard on the heels of the discovery by Exxon — gave a major boost to BP which advanced 13 to 513p. Other leading Oils opened on a quiet note but gradually improved to close with modest gains. LASMO attracted sustained buying interest and closed 16 to the good at 346p; the OPS rose 20 good at 346p; the OPS rose 20 to 540p.

Among secondary issues Saxon were outstanding and jumped 20 to a 1984 high of 405p.

Confirmation of an end to the first official strike by South Africa's black mineworkers prompted further good gains throuhgout South African gold and related issues, despite news of continuing civil unrest at a number of mines in and around Johannesburg.

A firm showing by the bullion price and persistent Johannesburg buying interest took share prices sharply higher at the outset and this trend continued throughout the morning. In the afternoon, business was at a much reduced level and the best levels were not always held. Most issues, however, closed with good gains on balance.

The Gold Mines index put on 11.7 more to 526.2, extending the gains over the past two days to one of 16.5, while bullion closed a net $2.5 firmer at $340.25 an ounce.

Among leading Golds Randfontein were a particularly firm market and rose almost £2 to £88, helped by news that a new gold mine, in which Randfontein will hold a 45 per cent interest, could be opened within three to five years. "Johnnies," Randfontein's parent company, which would also hold a 45 per cent stake in the new mine, moved up a point to £70 and Anglo American Corporation, with the remaining 10 per cent, hardened ½ to £19¼.

London-domiciled Financials, however, remained a weak market. Mild disappointment with the interim results encouraged a flurry of selling in Rio-Tinto-Zinc which fell away to close 16 lower at 569p, while further consideration of the preliminary figures left Consolidated Gold Fields another 9 off at 465p. Hampton Areas drifted back to close 3 cheaper at 120p.

Elsewhere, Zimbabwe's MTD (Mangula) were quoted at 12p prior to being suspended in line with the similar action on Johannesburg and Harare Stock Exchanges. It was announced later that Zimbabwe Mining Development Corporation is involved in talks with Messina, MTD's major shareholder, regarding the purchase of all of Messina mining interests in Zimbabwe, including the MTD shareholding. Messina shares jumped 15 to 160p on the news.

Demand for Traded Options continued to expand. Total contracts transacted amounted to 6,039 — the highest for some six weeks. The FTSE 100 index again accounted for a sizeable portion of business, with 801 calls and 634 puts done. Elsewhere, operators showed particular interest in issues with substantial overseas earnings potential. Jaguar attracted 1351 calls, 170 in the September 180's, and 163 puts. Bats were also lively following better-than-anticipated interim results and recorded 317 calls, 102 in the November 280's, 6 dearer at 14p. GKN and Hanson Trust attracted 358 and 679 calls respectively.

FINANCIAL TIMES STOCK INDICES

	Sept. 19	Sept. 18	Sept. 17	Sept. 14	Sept. 13	Sept. 12	Year ago
Government Secs ...	80.08	79.45	79.87	80.39	80.55	80.15	81.83
Fixed Interest	83.23	82.91	83.22	83.29	83.26	83.21	83.91
Industrial Ord........	871.8	858.0	859.0	859.4	856.8	857.6	706.0
Gold Mines	526.2	514.5	509.7	514.0	512.1	521.4	651.5
Ord. Div. Yield	4.80	4.87	4.87	4.87	4.87	4.85	4.86
Earnings, Yld.% (full)	11.45	11.61	11.60	11.59	11.60	11.60	9.59
P/E Ratio (net) (*)	10.51	10.35	10.36	10.37	10.36	10.36	13.04
Total bargains (Est.)	18,816	18,110	16,531	18,037	15,809	16,181	19,436
Equity turnover £m.	—	253.11	230.22	368.78	321.20	288.38	194.34
Equity bargains	—	16,559	16,369	19,145	15,491	13,975	16,119
Shares traded (ml)...	—	137.0	124.8	206.3	178.2	162.1	117.3

10 am 855.5. 11 am 858.2. Noon 867.5. 1 pm 868.8. 2 pm 868.8. 3 pm 869.0.

Basis 100 Govt. Secs. 15/2/26. Fixed Int. 1928. Industrial 1/7/35. Gold Mines 12/9/55. SE Activity 1974.

Latest Index 01-246 8026.

Nil=10.09.

HIGHS AND LOWS

—	1984 High	1984 Low	Since Compilat'n High	Since Compilat'n Low
Govt. Secs	83.77 (9/1)	75.72 (30/7)	127.4 (9/1/35)	49.48 (3/1/75)
Fixed Int.	87.48 (14/3)	80.43 (30/7)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	922.8 (3/5)	755.3 (23/7)	922.8 (3/5/84)	49.4 (26/6/40)
Gold Mines	711.7 (9/5)	486.7 (1/8)	734.7 (15/2/83)	43.5 (26/10/71)

S.E. ACTIVITY

	Sept. 18	Sept. 17
Daily Gilt Edged Bargains ...	148.0	129.6
Equities Bargains ...	107.3	106.0
Value ...	511.6	486.3
5-day Average Gilt Edged Bargains ...	133.1	136.3
Equities Bargains	105.6	101.5
Value	590.9	584.2

NEW HIGHS AND LOWS FOR 1984

NEW HIGHS (106)

AMERICANS (3)
CANADIANS (3)
BUILDINGS (1)
CHEMICALS (1)
STORES (1)
ELECTRICALS (7)
ENGINEERING (6)
FOODS (6)
HOTELS (1)
INDUSTRIALS (17)
INSURANCE (2)
LEISURE (1)
PAPER (1)
PROPERTY (6)
SHIPPING (1)
SHOES (1)
TOBACCOS (1)
TRUSTS (44)
OILS (1)
OVERSEAS TRADERS (1)
MINES (1)

NEW LOWS (23)

BUILDINGS (3)
Heywood Williams Tay Homes
Warrington (T.)
ELECTRICALS (1)
Breville Europe
ENGINEERING (2)
Wellman Westland
FOODS (1)
Banks (Sidney C.)
INDUSTRIALS (5)
Alfa-Laval Fobel Intl.
Hargreaves Ovenstone Invs.
Stag Furniture
MOTORS (1)
Herman Smith
PROPERTY (1)
Connells Estate Agents
SHIPPING (1)
Reardon Smith
SOUTH AFRICANS (4)
Kirsh Trading OK Bazaars
SA Breweries Tongaat-Hulett
TEXTILES (1)
Sirdar
OILS (1)
Petrogen Petroleum
MINES (2)
Central Kalgoorlie Jantar

FT-ACTUARIES SHARE INDICES

These Indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

	EQUITY GROUPS & SUB-SECTIONS — Figures in parentheses show number of stocks per section	Wed Sept 19 1984 Index No.	Day's Change %	Est. Earnings Yield% (Max.)	Gross Div. Yield% (ACT at 30%)	Est. P/E Ratio (Net)	Tues Sept 18 Index No.	Mon Sept 17 Index No.	Fri Sept 14 Index No.	Thur Sept 13 Index No.	Year ago (approx.) Index No.
1	CAPITAL GOODS (203)	521.59	+1.4	9.78	3.86	12.77	514.55	516.76	514.63	513.89	450.01
2	Building Materials (23)	468.36	−0.4	13.94	5.25	8.88	462.23	468.30	469.02	470.26	428.39
3	Contracting, Construction (30)	671.19	−0.2	13.89	5.77	9.09	672.52	670.32	666.39	667.22	717.23
4	Electricals (14)	1555.46	+1.6	10.45	4.81	11.88	1530.67	1536.88	1536.93	1534.66	1635.31
5	Electronics (32)	1901.73	+2.5	7.42	2.23	17.26	1855.67	1864.32	1836.68	1829.98	0.0
6	Mechanical Engineering (61)	258.95	+1.1	12.28	4.84	9.74	256.22	256.43	258.09	258.57	196.64
8	Metals and Metal Forming (9)	189.37	+1.0	12.10	6.92	10.37	187.55	189.12	189.30	189.56	168.73
9	Motors (17)	130.65	+0.2	10.32	5.16	—	130.32	129.23	128.75	128.29	114.86
10	Other Industrial Materials (17)	696.88	+1.3	6.88	3.87	17.93	687.72	690.91	696.78	693.75	529.68
21	CONSUMER GROUP (193)	533.75	+1.3	10.51	4.24	11.72	526.96	527.68	526.04	524.90	429.41
22	Brewers and Distillers (23)	506.63	+0.3	12.90	5.00	9.48	505.12	505.03	504.71	505.89	438.21
25	Food Manufacturing (22)	412.69	+0.4	13.54	5.46	9.13	411.09	410.09	409.27	407.42	337.74
26	Food Retailing (12)	1254.11	+1.2	7.38	2.64	17.94	1239.52	1257.91	1259.24	1257.62	986.94
27	Health and Household Products (9)	921.50	+1.4	5.43	2.66	22.11	908.83	905.77	907.10	897.51	757.45
29	Leisure (23)	595.59	+1.6	9.09	5.16	14.33	586.30	585.71	576.25	574.64	559.39
32	Newspapers, Publishing (13)	1309.12	+0.4	8.49	4.19	15.15	1303.85	1318.00	1307.82	1306.39	969.87
33	Packaging and Paper (15)	245.24	+0.4	14.50	5.67	7.98	244.25	246.29	247.02	247.15	191.99
34	Stores (46)	450.90	+1.2	9.50	3.97	13.99	445.36	445.90	442.46	442.67	386.61
35	Textiles (19)	275.81	+0.2	13.36	4.87	8.68	275.15	276.89	274.58	272.36	208.70
36	Tobaccos (3)	757.38	+4.4	14.98	4.81	7.53	725.23	725.12	724.63	726.56	404.83
39	Other Consumer (8)	469.19	+0.2	14.40	4.53	—	468.14	472.72	472.22	462.41	424.42
41	OTHER GROUPS (97)	479.53	+0.8	10.43	4.33	11.94	475.54	474.46	473.37	471.68	381.92
42	Chemicals (17)	631.02	+1.3	14.01	5.00	9.10	622.97	624.11	622.37	628.72	525.94
44	Office Equipment (4)	149.24	+0.2	7.67	5.14	14.80	148.94	149.26	149.87	147.75	111.08
45	Shipping and Transport (13)	884.56	−0.5	9.74	5.47	13.08	888.57	880.72	876.36	873.92	754.02
46	Miscellaneous (53)	670.84	+0.8	8.24	3.59	14.72	665.55	662.60	661.26	658.99	511.58
49	INDUSTRIAL GROUP (483)	527.55	+1.2	10.27	4.14	12.07	521.10	521.96	520.25	519.12	433.22
51	Oils (17)	1130.54	+1.3	15.99	6.63	8.04	1115.61	1105.16	1121.34	1103.60	1018.64
59	500 SHARE INDEX (500)	578.10	+1.3	11.12	4.55	11.14	570.94	570.84	570.65	568.11	482.41
61	FINANCIAL GROUP (118)	388.10	+0.6	—	5.67	—	385.97	385.78	384.82	384.89	329.38
62	Banks (6)	381.09	+1.9	22.53	7.58	5.54	374.05	373.15	369.12	365.36	356.18
63	Discount Houses (6)	412.15	−1.0	—	7.42	—	416.38	420.83	428.83	419.68	312.16
65	Insurance (Life) (9)	513.19	−0.3	—	5.22	—	514.53	515.51	517.62	519.66	454.41
66	Insurance (Composite) (8)	275.29	+0.4	—	6.74	—	274.07	274.49	274.18	274.60	221.70
67	Insurance (Brokers) (6)	823.18	+0.6	9.20	4.21	15.15	818.54	810.11	814.36	818.54	536.14
68	Merchant Banks (12)	213.82	−0.7	0.09	4.86	1491.87	215.23	215.24	216.69	216.62	196.12
69	Property (53)	595.95	+0.9	5.46	3.62	24.74	590.95	592.77	590.58	595.83	462.41
70	Other Finance (18)	251.01	−1.3	11.96	5.99	10.21	254.33	252.15	251.53	250.63	235.29
71	Investment Trusts (104)	530.07	+0.6	—	3.58	—	527.17	525.92	525.02	521.90	442.82
81	Mining Finance (4)	268.49	−2.2	10.47	5.58	12.26	274.63	278.81	281.53	283.18	318.25
91	Overseas Traders (14)	584.41	+0.1	9.91	6.63	12.50	583.82	582.63	581.21	583.46	493.01
99	ALL-SHARE INDEX (740)	529.51	+1.0	—	4.71	—	524.12	524.07	523.77	521.92	446.31
		Index No.	Day's Change	Day's High	Day's Low						
	FT-SE SHARE INDEX	1125.2	+15.3	1125.2	1109.8	—	1109.9	1118.5	1109.6	1105.3	

FIXED INTEREST

	PRICE INDICES	Wed Sept 19	Day's change %	Tues Sept 18	xd adj. today	xd adj. 1984 to date
	British Government					
1	5 years	115.96	+0.42	115.47	—	8.20
2	5-15 years	127.49	+0.82	126.45	—	10.81
3	Over 15 years	136.11	+0.95	134.83	—	10.23
4	Irredeemables	147.12	+1.04	145.61	—	8.90
5	All stocks	126.49	+0.71	125.60	—	9.46
6	Debentures & Loans	106.53	+0.41	106.10	—	7.68
7	Preference	74.54	—	74.54	—	5.46
	BRITISH GOVERNMENT INDEX-LINKED STOCKS					
8	All stocks	101.71	+0.16	101.55	—	2.23

	AVERAGE GROSS REDEMPTION YIELDS		Wed Sept 19	Tues Sept 18	Year ago (approx.)
	British Government				
1	Low	5 years	11.20	11.35	9.89
2	Coupons	15 years	10.62	10.75	10.06
3		25 years	10.15	10.26	9.73
4	Medium	5 years	11.90	12.04	11.22
5	Coupons	15 years	11.04	11.17	10.80
6		25 years	10.37	10.49	10.20
7	High	5 years	11.96	12.11	11.32
8	Coupons	15 years	11.20	11.34	11.02
9		25 years	10.46	10.59	10.30
10	Irredeemables†		10.09	10.19	9.76
11	Debs &	5 years	12.40	12.58	12.15
12	Loans	15 years	12.21	12.27	12.04
13		25 years	12.02	12.07	11.96
14	Preference†		13.14	13.14	12.71
15	Inflation rate	5%	3.80	3.81	3.12
16		10%	3.60	3.61	2.93

†Flat yield. Highs and lows record, base dates, values and constituent changes are published in Saturday issues. A list of constituents is available from the Publishers, the Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 15p, by post 28p.

EUROPEAN OPTIONS EXCHANGE

Series		Nov. Vol.	Nov. Last	Feb. Vol.	Feb. Last	May Vol.	May Last	Stock
GOLD C	$325	30	25	—	—	—	—	$340.50
GOLD C	$350	191	10.50	3	18	—	—	"
GOLD C	$375	356	3.90	42	9	—	—	"
GOLD P	$400	5	1.60	2	5.20	—	—	"
GOLD C	$325	5	5.50	—	—	—	—	"
GOLD P	$350	3	11.50	—	—	—	—	"
		Sept.		Dec.		Mar.		
SILVER C	$8	—	—	6	0.25	14	0.40	$7.15
SILVER C	$7	2	0.10	—	—	—	—	"
SILVER P	$8	—	—	2	0.90	4	0.95	"
$/FL C	F330	4	—	42	19	—	—	F348.95
$/FL C	F335	12	18.50	228	15.70 A	—	—	"
$/FL C	F340	—	13.30	574	12.60	300	13 B	"
$/FL C	F345	—	—	51	9.50	10	10.50	"
$/FL P	F300	—	—	—	—	2	1.80	"
$/FL P	F305	—	—	—	—	5	2.80	"
$/FL P	F310	—	—	20	1.50	—	—	"
$/FL P	F320	—	—	39	2.50	—	—	"
$/FL P	F325	—	—	34	3.80	2	7.20	"
$/FL P	F330	—	—	78	5	—	—	"
$/FL P	F335	—	—	30	6	1	11	"
$/FL P	F340	—	—	10	8.40	—	—	"
$/FL P	F345	—	—	27	11.10	9	16	"
$/FL P	F265	—	—	—	—	10	1.80	$309.55
£/$ C	$125	—	—	—	—	1	3.06 B	$125.94
£/$ C	$130	—	—	—	—	373	2	"
£/$ C	$145	—	—	—	—	200	0.80	"
£/$ P	$130	—	—	—	—	150	7.40	"
		Oct.		Jan.		Apr.		
ABN C	F.320	121	5.70	43	13.50	27	25	F.313
ABN P	F.300	39	3	24	6.50	3	11.60	"
AEGN C	F.130	71	1	58	6	12	7	F.122.60
AEGN P	F.120	9	1.60	31	4.20	—	—	"
AH C	F.200	21	4.70	2	10	—	—	F.198.70
AH P	F.180	—	—	62	3	—	—	"
AKZO C	F.100	559	1.80	777	5.30	92	7.30	F.96
AKZO P	F.90	374	0.80	181	3.10	24	3.80	"
AMRO C	F.75	—	—	500	1.10	—	—	F.61.30
AMRO P	F.60	24	1	20	3	5	3.40 B	"
GIST C	F.170	24	4.70	33	9.80	—	—	F.170.50
GIST P	F.170	60	1	57	3.70	—	—	"
HEIN C	F.140	66	3.30	13	8	1	10	F.139.20
HEIN P	F.130	20	0.50	2	2.90	—	—	"
HOOG C	F.60	231	1.30	—	—	—	—	F.59.70
HOOG P	F.50	—	—	83	2.50	—	3	"
KLM C	F.190	115	9	5	16.50	2	—	F.195.30
KLM P	F.170	19	3	39	7.50	—	—	"
NEDL C	F.150	16	3.50	45	8.50 B	—	11.60	F.148.80
NEDL P	F.140	15	1.30	30	5A	5	5.20	"
NATN C	F.230	5	5.50 A	7	8.30	—	—	F.230.30
NATN P	F.220	21	2.60	14	5.80	—	—	"
PETR C	Fr.7500	—	—	30	610	5	850	Fr.7590
PETR P	Fr.7000	—	—	25	120	—	—	"
PHIL C	F.50	787	4.60	330	6	90	7.80 A	F.54.70
PHIL P	F.55	30	1.40	131	3.10	222	4.20	"
PHO C	F.45.50	94	9.10	—	—	—	—	"
RD C	F.170	1430	6.60	408	11.70	66	14.50	F.174.40
RD P	F.170	100	2.50	57	4.60	27	6.20	"
UNIL C	F.300	300	2	—	—	—	—	F.288.60
UNIL P	F.260	—	—	28	2.80	—	—	"

TOTAL VOLUME IN CONTRACTS: 25,192

A=Ask B=Bid C=Call P=Put

RECENT ISSUES

EQUITIES

Issue price	Amount paid up	Latest Renunc. date	1984 High	1984 Low	Stock	Closing price	+ or −	Net Div.	Times covered	Gross Yield	P.E. Ratio
‡95	F.P.	31/8	119	103	✠Alphameric 5p	119	+9	0.7	5.2	0.8	32.5
‡75	F.P.	7/9	90	81	✠Blue Arrow	90	+4	bg1.2	5.2	1.9	11.9
‡120	F.P.	23/8	153	123	✠Compsoft Hdgs. 5p	153		g1.5	3.0	1.6	28.4
105	F.P.	5/10	150	140	✠Extract Wool 50p	142	.....	bg3.68	2.2	5.7	17.2
[illegible]	F.P.	—	35	30	F.&C. Pacific InvWrrts	35	+1	—	—	—	—
‡74	F.P.	—	84	78	✠Fergabrook 20p	84	+4	b3.2	2.5	5.4	10.5
160	F.P.	24/9	220	186	Great Western Res.	205	−15	—	—	—	—
‡47	F.P.	2/10	49	45	✠Hoggett Bowers 5p	48	−1	bg10	6.1	3.0	7.9
[illegible]	F.P.	26/9	140	130	✠Ind. Scot. Energy £1	125		—	—	—	—
[illegible]	F.P.	—	£14	£12½	Inv. AB Beijer 'A'SK.50	£12½		7.0	b2.5	2.6	15.7
165	F.P.	26/9	190	170	Jaguar	190	+5	b7.75	2.0	5.8	8.0
30	F.P.	—	33	31	✠Paul Michael L'w 5p	33	..	T1.25	3.0	5.4	8.8
[illegible]	F.P.	12/10	85	80	Young (H.)	82		—	—	—	✦

FIXED INTEREST STOCKS

Issue price £	Amount paid up	Latest Renunc. date	1984 High	1984 Low	Stock	Closing price £	+ or −
‡99.00	£10	10/1	10½	8½	Bristol Waterworks 11¾% Red.Deb.2004	10	..
*99.57	£10	1/11	10¼	10¼	Bournemouth Water 8½% Red.Prf. 1988	10¼	
*99.57	£10	29/11	10¼	10¼	Cambridge Water 8½% Red. Prf. 1988	10¼	
100	£10	22/11	21	10½	Do. 13% Red. Deb. 2004	18	
‡96.671	F.P.	1/10	98½	96	Edinburgh Inv. Tst. 11½% Deb 2014	98	+½
*98	£10	6/12	10½	10	Essex Water 8½% Red. Prf. 1989	10½	−⅛
99.161	£30	17/1	30½	28⅝	Intl. Bk. for Recon. & Dev. 11½% Ln. 2003	30½	+⅛
‡98.15	£25	22/11	29¼	22	Marley 11¾% Deb. 2009	29	+½
—	F.P.	—	100	99¼	Nationwide 11½% 27.8.85	99¼	
—	F.P.	—	100	99½	" 11½% 9.9.85	99¼	
100	F.P.	26.10	113	106	T.V. South 10% Sub. Conv. Ln. 1997	113	+1
	Nil	14/9	38pm	18pm	Trans-Natal Coal 12.7% Uns. Cnv. Deb	18pm	..
‡100	£10	27/9	14½	10½	York Waterworks 13½% Red Deb. 1994	13½	..

"RIGHTS" OFFERS

Issue price	Amount paid up	Latest Renunc. date	1984 High	1984 Low	Stock	Closing price	+ or −
8	Nil	—	2½pm	¼pm	Astra Ind. 10p	2½pm	+1¼
50	Nil	28/9	5pm	½pm	✠Gaunt (Rowland)	2pm	...
110	F.P.	26/9	33pm	18pm	✠Ind. Scotland Energy £1	18pm	.....
38	Nil	31/10	14pm	6pm	Meggitt 5p	14pm	+2
40	Nil	26/10	6pm	4pm	Morley (R.H.) 10p	6pm	
200	F.P.	7/11	502	470	NatWest Bank £1	502	+5
A$4	A$2	7/9	308pm	122pm	Santos A0.25c	302pm	−4
150	Nil	23/11	45pm	32pm	Securicor Group	45pm	....
136	Nil	23/11	45pm	34pm	Do. 'A' N-V	45pm	....
142	Nil	23/11	47pm	32pm	Security Services	47pm	....
A$0.50	Nil	31/10	75pm	72pm	TNT A$0.50	74pm	−1

Renunciation date usually last day for dealing free of stamp duty. b Figures based on prospectus estimates. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. g Assumed dividend and yield. u Forecast dividend cover based on previous year's earnings. C Canadian. F Dividend and yield based on prospectus or other official estimates for 1984. H Dividend and yield based on prospectus or other official estimates for 1983-84. Q Gross. p Pence unless otherwise indicated. ¶ Issued by tender. ‖ Offered holders of ordinary shares as a "rights." ** Issued by way of capitalisation. §§ Reintroduced. ¶¶ Issued in connection with reorganisation merger or take-over. ‖‖ Allotment letters (or fully-paid). ‖‖ Introduction. ✠ Unlisted Securities Market. § Placing price. T Figures assumed.

OPTIONS

First Dealings	Last Dealings	Last Declaration	For Settlement
Sept 10	Sept 21	Dec 6	Dec 17
Sept 24	Oct 5	Dec 20	Jan 7
Oct 8	Oct 19	Jan 10	Jan 21

For rate indications see end of Share Information Service

Call options were taken out in South West Resources, Marley, Planet, Arthur Lee, Osceola, Bristol Oil and Minerals, Eglington Oil and Gas, Ramar Textiles, Hutchison Whampoa, Jardine Matheson, and Aran Energy. No puts or doubles were reported.

ACTIVE STOCKS

Above average activity was noted in the following stocks yesterday.

Stock	Closing price	Day's change
BAT Inds	281	+14
Barratt Devs	84	−4
Birmid Qualcast	94½	+7½
Cons Gold Fields	465	−9
Fisons	248	+15
Jaguar New	190	+3
Kennedy Brookes	275	+20
LASMO	346	+16
Lucas Inds	225	+1
Metal Box	336	+12
RTZ	569	−16
Tate and Lyle	385	+12

Based on bargains recorded in Stock Exchange Official List.

RISES AND FALLS YESTERDAY

	Rises	Falls	Same
British Funds	103	0	0
Corpns, Dom and Foreign Bonds	30	0	49
Industrials	323	199	892
Financial & Props.	139	60	276
Oils	22	28	75
Plantations	1	6	11
Mines	65	31	84
Others	26	90	63
Totals	759	414	1,450

TUESDAY'S ACTIVE STOCKS

Fergabrook N	16	80	—
Glaxo	16	975	+7
ICI	15	636	−2
Bowater Inc	14	£20¼	+¼
Shell Trans	14	667	+7
Birmid Qualcast	13	87	+1
Jaguar New	13	187	+3
Barclays Bank	12	483	+5
Paul M Leisurewear N	12	33	—
BP	11	500	+5
Dalgety	11	444	—
Hanson Trust	11	238	+9
Matthews Bmrd	11	230	−20
Unilever	11	940	+5

LONDON TRADED OPTIONS

Option		Calls Oct.	Calls Jan.	Calls Apr.	Puts Oct.	Puts Jan.	Puts Apr.
B.P. (*506)	390	120	127	132	2	5	5
	420	90	97	105	3	6	8
	460	52	62	72	5	10	16
	500	20	33	45	13	35	33
	550	5	14	—	50	55	—
Cons Gold (*467)	460	25	44	52	18	28	33
	500	9	27	37	55	57	62
	550	4	14	20	93	100	104
	600	1½	7	—	140	140	—
	650	1½	2	—	190	190	—
Courtaulds (*128)	110	21	24	26	2	3	5
	120	14	17	19	3	5	8
	130	7	10	13	7	10	12
	140	2½	6	—	14	15	—
	160	0¾	2½	—	32	33	—
Com. Union (*185)	160	27	—	—	2½	—	—
	180	9	18	24	10	13	17
	200	4½	10	16	20	24	27
	220	2½	6	10	39	42	45
	240	1½	—	—	58	—	—
G.E.C. (*218)	160	64	66	70	2	2	3
	180	44	46	50	2	4	6
	200	25	30	34	3	6	10
	220	9	15	20	12	16	19
Grand Met. (*310)	275	32	—	—	3	—	—
	280	—	46	50	—	6	10
	300	18	30	34	7	14	20
	330	6	14	18	24	30	38
	360	1½	4	—	52	56	—
I.C.I. (*644)	500	148	150	154	2	2	4
	550	98	102	108	2	6	10
	600	60	62	70	6	12	18
	650	11	34	44	20	30	38
Land Sec. (*282)	240	45	—	—	0½	—	—
	260	27	33	39	3	5	8
	280	12	21	28	6	12	16
	300	4	10	18	19	25	28
Marks & Sp. (*114)	100	16	19	23	2	3	4½
	110	7	12	15	4	7	9
	120	3	6	9	10	13	15
	130	2	3	—	19	21	—
	140	1	—	—	29	—	—
Shell Trans. (*670)	500	173	180	185	1½	4	4
	550	123	133	138	3	6	8
	600	75	85	90	5	10	15
	650	38	43	50	10	24	32
	700	9	20	30	38	47	57
Trafalg'r Hs. (*272)	260	20	27	32	4	9	12
	280	7	11	18	14	19	25

Option		Calls Nov.	Calls Feb.	Calls May	Puts Nov.	Puts Feb.	Puts May
BAT Inds (*282)	240	44	47	53	2	5	8
	260	25	29	38	6	8	13
	280	14	19	26	13	17	21
Barclays (*492)	420	77	87	97	4	5	8
	460	40	50	60	10	14	20
	500	15	25	37	27	33	40
	550	4	—	—	62	—	—
Imperial Gp. (*172)	140	35	37	39	1½	3½	5
	160	15	18½	21	4	7	9
	180	5	8	12	13	15	17
LASMO (*340)	260	85	92	—	3	4	—
	280	65	72	—	4	7	—
	300	45	57	62	6	14	18
	330	22	35	40	15	22	28
	360	8	16	25	30	38	42
Lonrho (*146)	120	27	29	—	1½	2	—
	130	19	20	—	1½	4	—
	140	10	15	18	5½	8	10
	160	3	6½	8½	17	20	21
P. & O. (*209)	180	34	—	—	3	—	—
	200	18	24	31	7	11	14
	220	6	15	20	19	22	26
	240	2	8	10	44	44	44
Racal (*252)	200	55	62	—	2	3	—
	220	36	44	52	3	7	8
	240	20	28	34	8	11	16
	260	8	14	19	17	21	26
R.T.Z. (*577)	500	83	92	—	5	10	—
	550	42	52	64	17	30	43
	600	17	30	38	47	57	67
	650	7	16	—	85	92	—
Vaal Reefs (*$95)	90	10	14½	16	5	7	8½
	100	6	10	11	10	12½	15
	110	3	6	7½	17	18½	20½
	120	1½	4	—	27	28	—
	130	0¾	2¾	—	37	38	—

Option		Calls Sep.	Calls Dec.	Calls Mar.	Puts Sep.	Puts Dec.	Puts Mar.
Beecham (*356)	280	78	82	88	1½	2	3
	300	58	65	70	1½	4	6
	330	30	43	50	1½	7	15
	360	4	22	28	8	20	25
	390	—	9	16	—	43	46
Bass (*371)	330	45	50	55	0¼	5	8
	360	16	27	35	3	15	20
	390	1½	10	15	22	32	38
De Beers (*$5.15)	500	25	65	70	8	27	40
	550	3	32	45	40	60	70
	600	1½	18	25	90	100	105
	650	1½	10	13	—	145	150
	700	1	5	—	—	195	—
Guest Keen (*181)	140	43	43	49	1	2	3
	160	23	25	32	1	6	9
	180	4	11	17	5	11	14
	200	1	6	—	20	24	—
	220	0½	2	—	40	43	—
Hanson (*245)	187	59	—	—	1	—	—
	200	46	51	55	1	4	5
	220	26	32	37	1½	7	10
	240	7	13	20	5	14	17
Jaguar (*190)	160	31	36	41	1	3	4
	180	11	18	26	1	7	10
	200	3	8	14	11	17	18
Tesco (*194)	140	56	59	64	1	1½	2½
	160	36	39	44	1	2½	4
	180	16	20	25	1½	6	9
	200	2	9	12	8	13	17
FT SE Index (*1123)	975	150	150	125	1	8	12
	1000	125	125	133	1	6	17
	1025	100	100	108	1	12	27
	1050	75	80	90	1½	18	30
	1075	50	60	70	4	26	40
	1100	25	42	58	7	35	50
	1125	8	35	47	19	50	60
	1150	2	16	—	40	63	—

Sept. 19. Total Contracts 6,039 Calls 4,482. Puts 1,557

* Underlying security price.

FT LONDON SHARE INFORMATION SERVICE

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

1984 High	1984 Low	Stock	Price £	+ or -	Yield Int.	Yield Red.
105⅝	101⅝	Treas. 15pc 1985	101 [illegible]	+ [illegible]	14.75	10.58
102¾	100	Exch. 12pc Cnv. '85	100¼xd	+ [illegible]	11.91	10.53
95⅞	93 [illegible]	Treas. 3pc 1985	95⅛	+ [illegible]	3.15	10.72
102⅝	99 [illegible]	Treas 11½pc 1985	100 [illegible]	+ [illegible]	11.44	10.67
99¼	96 [illegible]	Treas 8¾pc Cnv '85	98 [illegible]	+ [illegible]	8.91	10.82
104 [illegible]	99 [illegible]	Exch. 12¼pc 1985	101⅛	+ [illegible]	12.11	11.08
103 [illegible]	99 [illegible]	Exch. 11¼pc '86	100¼	+ [illegible]	11.66	11.11
102 [illegible]	96 [illegible]	Treas 10pc Cnv 1986	98¼xd	+¼	10.18	11.29
91	86¼	Treas 3pc 1986	90⅝	+ [illegible]	3.31	9.11
102	96¼	Exch 10½pc Cv '86	98 [illegible]	+ [illegible]	10.63	11.26
104 [illegible]	99 [illegible]	Treas 12pc 1986	100 [illegible]	+ [illegible]	11.90	11.42
98⅜	93½	Treas 8½pc 1984-86‡‡	95½	+ [illegible]	8.94	11.53
108 [illegible]	102 [illegible]	Exch. 14pc 1986	104 [illegible]	+ [illegible]	13.44	11.65
87⅛	85	Exch. 2½pc 1986	86 [illegible]	+ [illegible]	2.89	9.48
107 [illegible]	100 [illegible]	Exch. 13¼pc 1987	103	+ [illegible]	12.86	11.69
100⅞	94½	Treas 10¼pc Cv '87	97¼	+ [illegible]	10.54	11.55
86⅛	83⅛	Exch 2½pc 1987	85 [illegible]	+ [illegible]	2.93	9.33
101 [illegible]	94 [illegible]	Exch. 10½pc 1987	97 [illegible]xd	+ [illegible]	10.75	11.59
92 [illegible]	87	Funding 6½pc '85-87‡‡	89⅞	+ [illegible]	7.23	11.05
99⅝	92⅞	Treas. 10pc 1987	95 [illegible]	+ [illegible]	10.42	11.75
85	81 [illegible]	Treas 3pc 1987	83½	+¼	3.59	9.85
105	97¼	Treas. 12pc 1987	100 [illegible]	+ [illegible]	11.96	11.84
94⅞	87 [illegible]	Treas 7¾pc 1985-88‡‡	89 [illegible]	+¼	8.63	11.47
100⅛	92 [illegible]	Exch 10½pc '88	96 [illegible]	+½	10.92	11.80
98 [illegible]	89 [illegible]	Treas 9½pc Cv '88	94	+ [illegible]	10.37	11.76
82	77	Transport 3pc '78-88	77⅞	+ [illegible]	3.85	10.19
96 [illegible]	88 [illegible]	Treas. 9½pc '88	92½xd	+½	10.28	11.94
106¼	94 [illegible]	Treas 11½pc 1989	99	+½	11.62	11.78
95 [illegible]	87 [illegible]	Treas 9½pc Cnv. '89	93½xd	+ [illegible]	10.19	11.46
96 [illegible]	90 [illegible]	Treas 10½pc 1989	95¼	+ [illegible]	11.03	11.82
100 [illegible]	89 [illegible]	Exch. 10pc 1989	93⅛	+ [illegible]	10.71	11.81

Five to Fifteen Years

1984 High	1984 Low	Stock	Price £	+ or -	Yield Int.	Yield Red.
97¼	94¾	Exch. 11pc 1990 (£35pd)	97	+½	11.40	11.94
83¼	77½	Treas. 5pc 1986-89	79xd	+½	6.30	10.35
112⅝	100⅛	Treas 13pc 1990‡‡	107⅛	+¼	12.41	11.74
110⅞	100¼	Exch. 12½pc 1990	102¼xd	+½	12.22	11.93
93¼	84⅞	Treas 8¼pc 1987-90‡‡	89¼	+½	9.42	11.24
99 [illegible]	90⅝	Treas 10pc Cv 1990	91½xd	+¼	10.83	11.78
107	94¼	Treas 11¾pc 1991	101½	+½	11.85	11.91
84⅛	75⅝	Funding 5¾pc '87-91‡‡	78½xd	+⅛	7.34	10.40
105¾	93⅞	Exch. 11pc 1991	95½xd	+½	11.39	11.74
112⅝	98 [illegible]	Treas 12¾pc 1992‡‡	106⅛	+½	12.17	11.84
100⅝	86	Treas 10pc 1992	92⅝	+½	10.89	11.66
60¼	58⅝	Tr. 10½pc Cv '92 £60pd●	59⅞	+½	11.10	11.56
111⅛	95⅛	Exch. 12¼pc '92	102⅝	+½	12.04	11.89
117½	104¼	Exch 13½pc 1992	107⅞xd	+⅞	12.51	11.93

Over Fifteen Years

Undated

Index-Linked

INT. BANK AND O'SEAS GOVT STERLING ISSUES

CORPORATION LOANS

COMMONWEALTH AND AFRICAN LOANS

LOANS

Building Societies

Public Board and Ind.

Financial

FOREIGN BONDS & RAILS

AMERICANS

CANADIANS

BANKS, HP & LEASING

Hire Purchase, Leasing, etc.

BEERS, WINES & SPIRITS

BEERS, WINES—Cont.

BUILDING INDUSTRY, TIMBER AND ROADS

CHEMICALS, PLASTICS

DRAPERY AND STORES

DRAPERY & STORES—Cont.

ELECTRICALS

ENGINEERING

ENGINEERING—Continued

FOOD, GROCERIES, ETC

HOTELS AND CATERERS

HOTELS—Continued

INDUSTRIALS (Miscel.)

INDUSTRIALS—Continued

1984 High	1984 Low	Stock	Price	+ or −	Div Net	C'vr	Y'ld Gr's	P/E
95	65	Marley	84	......	†3.2	2.5	5.4	9.4
58½	40	Marling Ind. 10p	52	......	d3.0	5.6	3.6	6.1
46	29	Marshall L'sy. 'A'	40	......	1.2	3.6	4.3	(7.1)
*54	37	Marshall's Univ.	44	......	H1.75	—	5.7	13.2
81	78	Do. 7½pc Cn Red Pf £1	78	......	7½%	—	13.7	—
30	20	Martin-Black	22ɸ	......	—	—	—	—
£108	£88	Mathesons 7¾%	£95	......	C7¾%	2.3	18.2	—
378	287	Metal Box £1	336	+12	15.0	3.0	6.4	5.7
270	129	Metal Closures	156	−2	6.3	2.3	5.8	(8.6)
27	13	Metal Sciences 2½p	16	......	—	—	—	—
19	8	Metamec Jentique	10¼	......	0.01	—	—	—
133	83	Midland Marts	95	......	4.0	1.8	6.0	12.0
64½	45	Mitchell Cotts	58½	......	3.62	1.0	8.9	(15.4)
29	13	Mobell Grp 1p	14	......	‡0.5	2.9	5.1	(8.8)
168	132	Morgan Crucible	156	−2	†7.5	1.2	7.0	(15.4)
18½	13½	Morris (W) Fine Arts	17	......	bg0.25	4.0	2.1	15.6
*95	80	Moss (Robt.) 10p	93	......	2.5	2.9	3.8	11.3
330	197	NMW Computers	292	+2	6.0	3.0	2.9	16.3
65	45	Nash Inds.	50	......	4.0	2.2	11.4	5.8
47	30	Neil&Sp'ncer 10p	36	......	—	—	—	15.5
33	16	Newman Industs	23	......	—	—	—	(12.9)
31	16½	Do. 10pc Cn.Cv Pf.	23	−½	10%	—	6.2	—
67	43½	Norton	45	......	1.0	2.9	3.2	15.8
175	132	Norcros	163	+2	7.5	2.4	6.6	8.6

INSURANCES

LEISURE

LEISURE—Continued

MOTORS, AIRCRAFT TRADES

Motors and Cycles

Commercial Vehicles

Components

Garages and Distributors

NEWSPAPERS, PUBLISHERS

PAPER, PRINTING ADVERTISING

PROPERTY

PROPERTY—Continued

SHIPPING

SHOES AND LEATHER

SOUTH AFRICANS

TEXTILES

TOBACCOS

TRUSTS, FINANCE, LAND

Investment Trusts

INVESTMENT TRUSTS—Cont.

Finance, Land, etc

OIL AND GAS

OIL AND GAS—Continued

OVERSEAS TRADERS

PLANTATIONS

Rubbers, Palm Oil

Teas

MINES

Central Rand

Eastern Rand

Far West Rand

O.F.S.

Finance

Diamond and Platinum

MINES—Continued

1984 High	1984 Low	Stock	Price	+ or −	Div Net	C'vr	Y'ld Gr's
Central African							
280	145	Falcon Z50c	150	......	Q100c	ɸ	36.9
17	9½	Wankie Col. Z$1	9½	......	—	—	—
21	14	Zam.Cpr.SBD0.24	16	......	—	—	—
Australians							
45	23	ACM 50c	29	......	—	—	—
38	17	Allstate Expl'n. NL	18	......	—	—	—
10½	4	Asia Oil & Minerals	4	......	—	—	—
19½	12	Aust. Hydrocarbons NL	19½	......	ɸ	—	—
28	16	Australis Mng NL	17	+1	—	—	—
45	15	Balmoral Res.	26	......	—	—	—
36	18	Black Hill Mins.	22	......	—	—	—
104	77	Bond Corp	95	......	Q10c	ɸ	7.2
177	90	Bougainville 1 Kina	118	−1	Q16.4c	1.2	9.8
406	276	CRA $2	320	−2	†Q12c	1.5	2.5
86	44	Carr Boyd 20c.	57	......	—	—	—
40	18	Central Kalgoorlie	18	−7	—	—	—

Tins

Miscellaneous

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on "net" distribution basis, earnings per share being computed on profit after taxation and unrelieved ACT where applicable; bracketed figures indicate 10 per cent or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution; this compares gross dividend costs to profit after taxation, excluding exceptional profits/losses but including estimated extent of offsetable ACT. Yields are based on middle prices, are gross, adjusted to ACT of 30 per cent and allow for value of declared distribution and rights.

- ● "Tap Stock".
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents on application.
- ɸ Figures or report awaited.
- ɸ Not officially UK listed; dealings permitted under Rule 535(4)(a).
- ɸ USM, not listed on Stock Exchange and company not subjected to same degree of regulation as listed securities.
- †† Dealt in under Rule 535(3).
- ɸ Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividend or forecast.
- ɸ Merger bid or reorganisation in progress.
- ɸ Not comparable.
- ɸ Same interim: reduced final and/or reduced earnings indicated.
- § Forecast dividend; cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ☆ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ▯ No par value.

B.Fr. Belgian Francs. Fr. French Francs. ¶¶ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock. a Tax free. b Figures based on prospectus or other offer estimate. c Cents. d Dividend rate paid or payable on part of capital, cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Subject to local tax. x Dividend cover in excess of 100 times. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Minimum tender price. F Dividend and yield based on prospectus or other official estimates for 1983-84. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1984. K Figures based on prospectus or official estimates for 1984. M Dividend and yield based on prospectus or other official estimates for 1985-86. N Dividend and yield based on prospectus or other official estimates for 1985. P Figures based on prospectus or other official estimates for 1983. Q Gross. T Figures assumed. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xd ex capital distribution.

REGIONAL & IRISH STOCKS

The following is a selection of Regional and Irish stocks, the latter being quoted in Irish currency.

Albany Inv 20p	86	+2	Arnott	192	......
Craig & Rose £1	£180½	......	CPI Hldgs.	59	......
Finlay Pkg. 5p	43	......	Carroll Inds.	116	+1
Higsons Brew.	83	+3	Dublin Gas	60	......
Holt (Jos) 25p	890	......	Hall (R. & H.)	46xd	......
IoM Stm. £1	107	−2	Heiton Hldgs.	15	......
IRISH			Irish Ropes	33	......
Exch. 12% 1985	£98¼	......	Jacob (W.& R.)	58	−4½
Nat. 9¾% 84/89	£83½	......	TMG	55	......
Fin. 13% 97/02	£86⅝	−⅛	Unidare	78	......

OPTIONS — 3-month call rates

Industrials	p				
Allied-Lyons	15	Hawker Sidd	38	Vickers	14
BOC Grp	27	Hse of Fraser	26	Woolworth Hldg.	50
BSR	26	ICI	42		
Babcock	17	'Imps'	12	**Property**	
Barclays Bank	45	ICL	7½	Brit Land	11
Beecham	32	Ladbroke	23	Cap Counties	16
Blue Circle	40	Legal & Gen	45	Land Secs	25
Boots	16	Lex Service	40	MEPC	25
Bowaters	25	Lloyds Bank	50	Peachey	17
Brit Aerospace	20	'Lots'	3	Samuel Props	12
BAT	15	Lucas Inds	18	Sterling Guar.	4
Brown (J.)	3	'Mams'	14		
Burton Ord	22	Marks & Spcr	20	**Oils**	
Cadburys	11	Midland Bk	36	Brit. Oil & Min	9
Comm Union	16	NEI	10	Brit Petroleum	35
Courtaulds	11	Nat West Bk	60	Burmah Oil	17
Debenhams	14	P & O Dfd	25	Charterhall	9
Distillers	22	Plessey	20	Premier	6
Dunlop	5	Racal Elect	18	Shell	55
FNFC	6¼	RHM	8	Tricentrol	20
Gen Accident	42	Rank Org Ord	24	Ultramar	60
Gen Electric	16	Reed Intnl	40		
Glaxo	70	Sears	8	**Mines**	
Grand Met	30	TI	22	Charter Cons	24
GUS 'A'	55	Tesco	16	Cons Gold	58
Guardian	50	Thorn EMI	55	Lonrho	12
GKN	20	Trust Houses	18	Rio T Zinc	60
Hanson Tst	17	Turner Newall	10		
		Unilever	75		

A selection of Options traded is given on the London Stock Exchange Report page.

"Recent Issues" and "Rights" Page 43

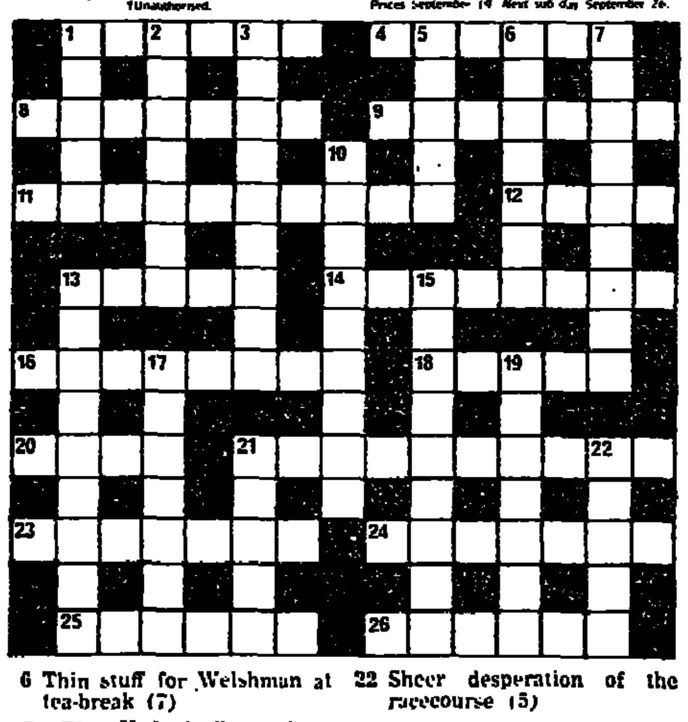
This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £700 per annum for each security.

FT UNIT TRUST INFORMATION SERVICE

AUTHORISED UNIT TRUSTS

INSURANCES

F.T. CROSSWORD PUZZLE No. 5,522



ACROSS

1 The cloth for half the clan could be grey (6)
4 Injury from wild she-cat (6)
8 Colonel, they say, found in cell (7)
9 Calliope is here, loud and unreasonable (7)
11 Turbulent assembly has to tolerate plot (4-6)
12 Birds — diggers see them usually in the interior (4)
13 Works and plays to music (5)
14 Riding on coaches puts fellow-players at a disadvantage (8)
16 Dismal ringer for a wood-hyacinth? (8)
18 Poet's study crowned with gold (5)
20 Bird that is dead, with nothing to follow? You can say *that again!* (4)
21 Stingy types, painting Grandma round capital of Ecuador (10)
23 Having low IQ on micro-structure (7)
24 Waste of a sporting prize (7)
25 Like sounds at the ends of lines? (6)
26 Improved punter (6)

DOWN

1 Doctor's patient with bent tube inside—that produces an effect (5)
2 Increase order of general (7)
3 Gorge a wife with a common salt (9)
5 Stir up violently—as cheer-leaders on vessel (5)
6 Thin stuff for Welshman at tea-break (7)
7 "The Hedonist" — long film, universally shown, could be near (9)
10 Has no scent but rouses old order (9)
13 Constable used what Olive gave—shade (3-6)
15 Small figure, such as Oscar (9)
17 Firm in money management? (7)
19 Tried to repair car-port in America (7)
21 State in which one is framed by bushy hair (5)
22 Sheer desperation of the racecourse (5)

Solution to Puzzle No. 5,521

S	C	A	T	T	E	R		B	R	A	I	W	E	D
A		R		H		E		R		C		A		E
D	E	M	U	R		F	R	A	N	C	H	I	S	E
I		A		O		E		S		O		V		P
S	I	D	E	W	A	R	D	S		U	S	E	R	S
T		I				E				T				E
S	O	L	A	R		N	I	G	A	R	A	G	U	A
		L		E		C		O		E		A		
T	R	O	U	S	S	E	A	U		D	A	Z	E	D
E				I				R				E		E
N	E	A	R	S		J	E	T	S	E	T	T	E	R
T		T		T		U		S		L		T		I
P	A	T	R	I	A	R	C	H		B	R	E	A	D
I		I		V		O		I		O		E		E
N	U	C	L	E	A	R		P	O	W	E	R	E	D

INSURANCE, OVERSEAS & MONEY FUNDS

Liberty Life Assurance Co Ltd
Station Rd New Barnet. 01-440 8210
Fund Managers, Touche Remnant & Co

Sel Set A	25.0	26.4	..	—
Blue Chip	19.8	20.9	..	—
Fixed Yield	18.6	19.6	...	—
Guaranteed Mny	15.6	16.5	.	—
Managed	18.7	19.7	.	—
International	24.8	26.2	.	—
Property	15.4	16.3	.	—
Pacific	19.2	20.3	.	—
Equity	14.9	15.7	.	—
Special Sits	21.5	22.7	....	—
Int Currency	13.3	14.1	..	—
Index Linked Secs	10.6	11.2	...	—
American	19.3	20.4	...	—

Life Assur. Co. of Pennsylvania
8, New Rd, Chatham, Kent Medway 812348

LACOP Units	13.49	14.17	...	—

Lloyds Life Assurance
20, Clifton St, EC2A 4HX 01-920 0202

Multi Gwth Sept 6		£2 78426	...	—
Multi Gwth 'A' Sept 6	254.8	268.3	...	—
Op 8 Prop Sept 6	262.2	276.1	...	—
Op 8 Equity Sept 18	322.5	339.5	...	—
Op 8 Hy Sept 6	258.0	271.6	...	—
Op 8 Man Sept 6	312.4	328.9	...	—
Op 8 Dep Sept 18	196.3	206.7	...	11.74
Op 8 Int Bond Sept 6	169.1	178.0	...	—
Op 8 Inc Dist Sept 6	134.9	142.0	...	8.90
Op 8 Int Man Sept 6	182.7	192.4	...	—
Op 8 US$ Sept 6	141.8	149.3	...	12.12
Pens B Pr Ac Sept 14	331.1	348.6		—
Pens B Eq Ac Sept 14	889.2	931.8	...	—
Pens B FI Ac Sept 14	378.9	398.9	.	—
Pens B Md Ac Sept 14	548.5	579.9	...	—
Pens B Dp Acc Sept 14	308.8	325.1	...	—
PensBGart Glob Sept 14	100.2	105.5	...	—
Pens B Gart NA Sept 14	105.9	111.5	...	—
PensBGart Pac Sept 14	96.5	101.6	...	—

For Pensions Capital Units please ring extension 519

Britannia Funds—Series A

Am Smlr Co's Sept 19	137.1	144.4	+4.6	—
Am Spec Sits Sept 19	157.5	165.8	+6.8	—
Commodity Sept 19	78.0	82.2	+2.9	—
Extra Inc Sept 19	113.3	119.1	-0.1	—

[illegible]

National Provident Institution
48, Gracechurch St, EC3P 3HH. 01-623 4200

Managed	182.4	192.0	+2.3	—
UK Equity	193.8	204.1	+1.1	—
Overseas Eq	188.1	198.1	-2.7	—
American	194.0	204.3	-3.6	—
Far East	173.5	183.1	-1.1	—
Property	110.5	116.4	+0.1	—
Fixed Int.	155.8	164.1	+0.9	—
Indexed Gilt	97.1	102.5	+0.1	—
Deposit	111.8	117.7	.	—

Pension Fund Prices

Man. Initial	182.7	191.2	+2.5	—
Man Acc.	200.4	211.4	+0.9	—
UK Eq. Initial	181.5	191.1	+1.7	—
UK Eq.	197.2	207.6	+1.9	—
Overseas Eq. Initial	207.1	218.1	+4.3	—
Overseas Eq.	236.3	248.8	-3.8	—
American Initial	214.1	225.7	-0.7	—
American	228.0	240.0	-2.6	—
Far East Initial	216.9	228.4	-1.5	—
Far East	237.1	249.6	-1.6	—
Prop. Initial	105.5	111.9		—
Prop.	115.0	121.1		—
Fixed Int. Initial	139.4	146.8	+0.9	—
Fixed Int	151.6	159.6	+1.1	—
Indexed Gilt Initial	92.1	97.0	+0.1	—
Indexed Gilt	100.5	105.8	+0.1	—
Deposit Initial	110.4	116.3	+0.1	—
Deposit	120.8	127.2	.	—

NPI Pensions Management Ltd.

Managed Fund	485.0	497.4	.	—

Prices Sept 3. Next dealing October 1.

New Zealand Sth. Brit. Insce. PLC
Maitland House, Southend SS1 2JS 0702 62955

Kiwi Key (Managed)	138.5	148.9	.	—
UK Equity	148.7	156.5	+0.6	—
American	258.3	271.9	+1.6	—
Pacific	354.8	373.4	+3.9	—
Property	150.7	158.7		—
Gilt	171.7	180.8	+1.0	—
High Inc. Equity	142.1	149.6	+0.2	—
High Inc. Fxd Int.	103.9	109.3	+0.2	—
Deposit	147.4	155.1	.	—
Index-Linked Gilt	99.5	104.7	.	—

Norwich Union Insurance Group
PO Box 4, Norwich NR1 3NG. 0603 22200

[illegible]

Save & Prosper Group
28, Western Rd, Romford RM1 3LB

[illegible]

Schroder Life Assurance Ltd.
Enterprise House, Portsmouth.

[illegible]

OFFSHORE AND OVERSEAS

[illegible]

Money Market Trust Funds

[illegible]

Money Market Bank Accounts

[illegible]

NOTES

[illegible]

COMMODITIES AND AGRICULTURE

Crude oil stocks decline in U.S.

BY NANCY DUNNE IN WASHINGTON

U.S. CRUDE oil stocks fell last week to about 338m barrels, just below the 340m-360m level maintained in the past few years, according to the American Petroleum Institute.

The decline, according to Dr Edward Murphy, director of API's statistical department, results from price uncertainties earlier this summer when the Saudi Arabians reportedly increased production.

"There was a reluctance to buy in June and July when it seemed that prices could fall further," Dr Murphy said. In the meantime, the Opec countries seem to have stabilised production and spot prices have risen by around $1 a barrel to about $28.50.

The drop in crude stocks is no cause for concern in the U.S., Dr Murphy said. The API figures showed that 290m in stocks is necessary to keep the oil distribution system operating smoothly, so there is still almost a 50m barrel margin.

"The relaity is that there's still a lot of crude out there," said Dr Murphy.

Gasoline stocks and imports have also dropped. Gasoline stocks, unusually high early in the summer at 256m barrels, stood last week about 227m barrels, just below the 229m barrels on hand last year. Imports fell to 3.5m barrels last week from 3.7m the preceding week and about 4m at the same time in 1983.

Distillate (heating) oil stocks rose by 0.9m to 140.8m barrels, but are still almost 10 barrels down compared with the same period last year. The seasonal build up in distillate stocks has been slower than usual this year.

Our Commodities Editor writes: The API figures helped boost prices on the London gas oil futures market yesterday. Traders had anticipated distillate stocks in the U.S. rising by between 2m to 3m barrels, so the increase of less than 1m was considered "bullish." The October position reached $243.50 at one stage before coming back on profit-taking to close at $242.25 a tonne, still $3.50 up on the previous day.

Zinc values fall sharply

BY JOHN EDWARDS, COMMODITIES EDITOR

ZINC VALUES fell sharply on the London Metal Exchange yesterday following news of plentiful offers at competitive prices at the U.S. mint buying tender seeking up to 33m lbs of special high grade zinc.

The market was also depressed by the decision of U.S. producer, Jersey Miniere, to cut its domestic selling prices for zinc by 3c a lb to 45c for high grade zinc, and the apparent reluctance of workers at Noranda's Valleyfield zinc smelter in Quebec to take strike action in spite of being unable to agree new labour contracts.

Three months zinc closed £19.25 lower at £604.50 a tonne, and eased to £603 in later trading, wiping out Tuesday's gains.

Other base metals also declined yesterday, reflecting the slightly firmer trend in sterling against the dollar; doubts about achieving a quick settlement of the strikes at General Motors and a 12.8 per cent fall in U.S. housing starts.

Reuter reported from Santiego that a proposed export subsidy system announced by Chile along with a devaluation of the peso last Monday could include copper exports.

French miss wheat export licences deadline

FRENCH EXPORTERS have withdrawn their requests for licences to export soft wheat which was mostly destined for the Soviet Union, a French Cereals Intervention Board official told Reuters.

The exporters had requested licences at a zero rebate but were unable to present the contracts to the European Commission within the eight-day deadline which expired yesterday, he said.

The licences were for 2.6m tonnes for the Soviet Union and 400,000tonnes to other destinations.

● COCOA PRICES advanced strongly again on the London futures market yesterday, following reports of rain damage to the crops in Ghana. The December position closed £33.50 up at £1,949 a tonne, after reaching a high of £1,956.

Traders said producing countries have withdrawn as sellers from the market recently in response to less favourable crop prospects in Brazil and now Ghana.

● THE EEC Commision approved the export of 50,000 tonnes of white (refined) sugar at its weekly selling tender in Brussels yesterday. It granted a maximum rebate of 38.842 European currency units per 100 kilos.

The tender result had little market impact

● TEA BROKERS Association of London figures show that the average price of all teas sold at auction on Monday rose to 285.06p per kilo, the highest price since January 30, from 265.98p last week.

● FLORIDA'S Citrus Canker advisory committee has recommended destroying all stock bought from nurseries infected with the highly contagious disease, which could mean the burning of millions more trees.

Roger Butler puts the case for a change in the taxation system

Ghost that haunts the futures markets

A GHOST from the past still haunts the tax treatment of private UK investors in futures markets.

The active market participant, for example a trade user in the case of commodity futures, a bank in the case of financial futures, or a broker in either instance, does not have a problem. Realised profits from dealings form part and parcel of trading profits and are assessed accordingly.

The ghost, so far as the private investor is concerned, is a 1925 case, Cooper v Stubbs. The problem with the case was that it was based on a perverse finding of fact by the Inland Revenue commissioners. Nonetheless, since the early 1970s, the Revenue has used it to assert that futures profits of passive individual investors should be taxed under the provisions of Schedule D Case VI. Under Case VI, profits are taxed as investment income and losses cannot be offset against other taxable income.

Cooper v. Stubbs concerned two brokers who dealt in cotton futures for their own personal account. The commissioners found that their activities amounted to gambling transactions and did not constitute trading.

It is generally perceived that a different conclusion might have been reached in the 1980s because of modern-day circumstances, and also afollowing a 1950s House of Lords decision not the courts can now overrule a commissioners' decision on fact if they have plainly misdirected themselves.

Nevertheless, the uncertainty of tax treatment means participating in the futures markets on the basis of "heads" the Revenue wins; "tails" the client losses.

The tax treatment of the investor/hedger using the financial futures markets is similar because ofthe lack of symmetry of treatment of the underlying instrument and the future.

The Revenue's assertion that futures transactions are assessable under Case VI, while the results of the underlying transactions would normally be assessed to capital gains tax, creates many inequities.

For example, the hedger of a share or bond portfolio may find a profit made on the futures arm ofthe hedge being taxed as investment income at 60 per cent, wheeras the loss on the share or security would give rise to capital gains tax relief at 30 per cent. Alternatively, a loss on the futures transaction would not be offsettable and the equivalent gain would be subject to capital gains tax.

The disadvantage of Case VI treatment does not apply to individuals. Until this year pension funds were kept out of the financial futures markets because although these were exempt from tax on income and gains on investments and deposits, the exemption did not apply if the transactions were held to be assessable under Case VI.

This year's Finance Act has given the funds a specific exemption from tax on dealings in financial futures and associated options contracts. However, the possible Case VI problem remains so far as their transactions in commodity futures are concerned. The same problem applies for investment and unit trust companies, life assurance companies and other investment companies.

Of course the tax issue is only one of three factors inhibiting the London markets. The need for a change in the investor protection legislation, and the required changes in the Gaming Act to clarify the legal position in respect of cash settlement contracts, are also being tackled.

As part ofthe three-pronged approach, a fundamental change in taxation treatment is necessary to encourage UK investors to participate in the futures markets and give the UK markets the liquidity which they need. The British Federation of Commodity Associations (BFCA) is lobbying for the adoption of capital gainst treatment for investors' dealings. In modern times futures contracts are just as much an investment as a stock market security.

If the proposal is accepted by the Treasury, it is very unlikely thatt he tax yield will decrease; more likely it will increase because of the very few investors presently participating in the market under the Case VI environment. It is also believed thatt here will be significant indirect earnings and tax yield gains from increased market activity.

The London commodities and futures markets are the fifth largest contributor to the UK's invisible earnings, far higher than the Stock Exchange. The sugested changes are needed to maintain their competitive position against a background of explosive growth in world futures markets, especially in the U.S., and the imminence of 24-hour trading.

Roger Butler is a partner in Arthur Young McClelland Moors and Company, and chairman ofthe BFCA Taxation Committee.

Reagan announces package to help U.S. farmers

BY NANCY DUNNE IN WASHINGTON

PRESIDENT REAGAN, has made his obligatory offering to financially-strapped U.S. farmers before departing on a campaign trip to Iowa and Michigan.

After meeting with some farmers in the White House he announced a four-point plan to help heavily indebted producers.

Although he is far ahead in most polls, Mr Reagan could be in some trouble in the farm belt where farmers are squeezed by high interest rates and low prices.

Many suffered severe difficulties in last year's drought and the past summer's hot weather.

Last week Mr Walter Mondale, the Democratic Presidential candidate, called for a six-month moratorium on loans from the Farmers' Home Administration, the lender of last resort for struggling farmers.

President Reagan would not go as far as that but he said the Administration would allow some farmers, who show an ability to manage their farms, to defer some interest and principal payments on their loans.

The Administration has, in the past, resisted proposals for debt collection moratoriums and farm bankruptcies have soared.

The proposal also includes a loan-guarantee programme covering up to 90 per cent of a farmer's debts. Another provision would provide $630m (£509m) in loan guarantees to facilitate additional lending by private banks.

The President also promised to create teams of community farm management specialists to counsel financially-distressed farmers.

Butter price pact sought by New Zealand

By Paul Cheeseright in Brussels

NEW ZEALAND is seeking a price understanding with the EEC in order to bring greater stability to the international butter market.

The special concern of New Zealand is the EEC scheme to mount a sales campaign for about 150,000 tonnes of butter a year in the Soviet and Middle East markets at subsidised prices.

The issue was discussed yesterday in talks between European Commisioners and Mr Mike Moore, Minister of Overseas Trade in New Zealand's new Labour Government.

This meeting paved the way for detailed talks on the sales to be held tomorrow at official level.

Mr Moore explained that the two extreme options were a joint sales approach or more subsidised sales. He emphasised New Zealand's opposition to EEC subsidised sales. "It is more sensible if we co-operate," he said.

New Zealand officials are worried about the ripple effect of EEC sales in these markets. They noted the international butter price had been slipping and had reached $1,300 a tonne, just $100 above the General Agreement on Tariffs and Trade minimum which the EEC has promised to observe.

In the past, New Zealand, to preserve its place in the market, has helped with the sale of surplus U.S. dairy produce. The EEC, for its part, wants to lop the top off its butter mountain of 1.15m tonnes.

● THE EUROPEAN Commission wants to promote olive oil consumption in its member countries because the Community will produce an annual surplus of 250,000 tonnes after the entry of Spain and Portugal, an official said.

PRICE CHANGES

in tonnes unless stated otherwise	Sept.19 1984	+ or —	Month ago
Metals			
Aluminium	£1100	...	£1100
Free Mkt	$1055-1065	—	$1180-210
Copper			
Cash h Grade	£1027	—2.5	£1016.5
3 mths	£1048.25	—2.5	£1036.75
Cash Cathode	£1027	—4	£1027
3 mths	£1047	—2	£1037.5
Gold troy oz.	$340.25	+2.25	$345.5
Lead Cash	£309	—6.5	£361.5
3 mths	£318.5	—6.25	£362.25
Nickel	£5333	...	£5202
Free Mkt	212.232c	+0.5	212/232c
Palladium oz	$137.75	+0.25	$136.75
Platinum oz	$323.00	+2	$338.25
Quick Silvert	$305-315	+5	$309-310
Silver troy oz	574.60p	+2.30	571.65p
3 mths	589.80p	+2.90	586.25p
Tin cash	£9695	—60	£9265
3 mths	£9625	+90	£9207.5
Tungsten	$86.27	—52.5	$89.65
Wolfram22 04lb	$82.86	+1	$79.82
Zinc	£612	+17.5	£629.5
3 mths	£604.5	—19.25	£638.75
Producers	$940	...	$990

	Sept. 19 1984	+ or —	Month ago
Oils			
Coconut (Phil)	$1350	...	$920
Groundnut	‡	...	‡
Linseed Crude	‡	...	‡
Palm Malayan	$610x	...	$545
Seeds			
Copra Phil	$670y	+90	$630
Soyabean U.S.	$248.5w	+1.5	$261
Grains			
Barley Fut.Nov.	£107.75	—0.05	£109.10
Maize	‡	...	£153.00
Wheat Fut.Nov.	£106.65	+0.30	£109.10
No2 Hard Wint.	‡	...	‡
Other commodities			
Cocoa ship't*	£2050	+34	£1843.5
Futures Dec.	£1949	+33.5	£1743.5
Coffee Ft. Nov.	£2447.5	—1	£2386.5
Cotton A index	72.35c	...	75.20c
Gas Oil Oct	$238.75	—0.3	$239.25
Rubber (kilo)	63p	+0.5	61.5p
Sugar (raw)	$100vx	+4	£84.5
Woolt'ps 64s	465p kilo	...	466pki

‡ Unquoted. w Oct. x Nov. v Sept-Oct. y Oct-Nov. † Per 75 lb flask. * Ghana cocoa. n Nominal. c Cents per pound.

LONDON OIL

SPOT PRICES

	Latest	Change + or —
CRUDE OIL—FOB ($ per barrel)		
Arabian Light	27.75-27.85	—
Dubai Fateh	27.35-27.45	+0.05
Arab Heavy	26.95-27.10	+0.07
North Sea (Forties)	28.25-28.40	+0.05
North Sea (Brent)	28.45-28.60	+0.05
African Bonny Lt'ht	28.50	—
PRODUCTS—North west Europe ($ per tonne)		
Premium gasoline	261-266	+1
Gas Oil	242-246	+3.5
Heavy fuel oil	179-180	+0.5

GAS OIL FUTURES

British U.S. stock figures strengthened the gas oil market and prices moved quickly up to the highs, with buying from the U.S. houses particularly heavy. The market remained around the higher levels until mid-afternoon when profit-taking put some pressure on prices, reports Premier Man.

Month	Yest'day's close	+ or —	Business Done
	$ U.S. per tonne		
Sept.	238.50	+3.50	239.00-38.50
Oct.	242.25	+3.50	243.50-41.00
Nov.	243.75	+3.00	247.50-45.50
Dec.	249.75	+3.50	250.75-46.25
Jan	250.50	+3.50	251.00-49.50
Feb	249.00	+3.00	244.00-48.50
March	241.00	—3.50	248.05
April	237.00	—0.50	235.00

Turnover: 3,321 (1,050) lots of 100 tonnes.

GOLD MARKETS

Gold rose $2½ an ounce from Tuesday's close in the London bullion market yesterday to finish at $340-$340½. The metal opened at $339½-$340 and traded between a high of $341¼-$341¾ and a low of $339¼-$339¾. The firmer trend in the afternoon was mainly a reflection of the dollar's soften tone after a larger than expected fall in U.S. housing starts.

In Paris the 12½ kilo bar was fixed at FFr 103,500 per kilo ($339.26 per ounce) in the afternoon compared with FFr 103,500 ($338.80) in the morning and FFr 102,650 ($335.47) on Monday afternoon.

In Frankfurt the 12½ kilo bar was fixed at DM 33,740 per kilo ($339.30 per ounce) against DM 33,550 ($337.47) and closed at $340¼-$340¾ from $336½-$337.

In Luxembourg the dollar per ounce equivalent of the 12½ kilo bar was fixed at $340.50 from $336.90.

In Zurich gold finished at $340-$340½ from $337½-$338.

LONDON FUTURES

Month	Yest'days close	+ or —	Business Done
	$ per troy ounce		
Sept	—	—	—
Oct	—	—	—
Dec	347.30-48.50	+2.55	348.80-47.10
Feb	—	—	—
April	—	—	—
June	—	—	—
Aug	—	—	—

Turnover: 117 (120) lots of 100 troy ounces.

Gold Bullion (fine ounce)	Sept. 19		Sept. 18	
Close	$340-340½	(£274½-275)	$337¾-338¼	(£274¾-275¼)
Opening	$339½-340	(£275¾-276¼)	$336¼-336¾	(£272¼-272¾)
Morning fixing	$339.90	(£275.446)	$336.50	(£274.873)
Afternoon fixing	$340.00	(£274.548)	$336.75	(£275.123)

Gold and Platinum Coins Sept. 19

Krugrnd	$350½-351¼	(£283½-284)	King Sov	$80½-82	(£65-66)
½ Krug.	$180¾-181½	(£146¼-146¾)	Victoria Sov	$80½-82	(£65-66)
¼ Krug.	$92¼-93	(£74½-75¼)	French 20s	$63¼-64¾	(£51¼-52¼)
1/10 Krug.	$37¾-38½	(£30½-31¼)	50 Pesos Mex	$421-423	(£340½-342)
Mapleleaf	$350¼-351	(£283¼-283¾)	100 Cor-Aust	$330-335	(£266¾-269¼)
New Sov.	$80-80½	(£64¾-65)	$20 Eagles	$500-530	(£404¼-428½)
½ New Sov.	$48¼-49	(£38-38¾)	Noble (Plat.)	$332¼-336	(£268¼-271¼)

EUROPEAN MARKETS

ROTTERDAM, September 19

Wheat—(U.S. $ per tonne) U.S. No 2 Soft Red Winter, Oct 155.75, Nov 156.75, Dec 158.50. U.S. No 2 Northern Spring, 14 per cent protein mid-Sept/mid-Oct 171.50, Oct 171, Nov 173.50, Dec 178. U.S. Northern Spring 15 per cent protein, Sept 184, Oct 183.50, Nov 187.50. U.S. No. 3 Hard Amber Durum: Sept 192, Oct 188, Nov 190.50, mid-Nov mid-Dec 194, April/May 206. Canadian No. 1 Western Amber Durum: Oct 205, Nov 206, Nov/Dec 211.

Maize—(U.S. $ per tonne) U.S. No. 3 Yellow: Afloat 150, Sept 147, Oct 138.50, Nov 137, Dec 177.50, Jan-March 141, April-June 140.50, July-Sept 142.50 sellers. Argentine Plate, Oct 170, April-June 1[illegible] sellers.

Soyabeans—(U.S. $ per tonne), U.S. No 2 Yellow, Gulfports: Oct 239.50, Nov 239.25, Dec 240.75, Jan 245, Feb 248, March 250.60, April 153, May 154, sellers.

Soyameal—(U.S. $ per tonne), 44 per cent: Oct 165, Nov/Dec 170.50, Nov/March 173, sellers. Pellets, Brazil, Afloat 170, Sept 170, Oct 175, Oct/Dec 180.50, Jan/March 197 sellers. Pellets, Argentine, Afloat 163, Sept 163, Oct 164, Oct/Dec 167, Jan/March 182, sellers.

Sugar—(FFr per tonne): Dec 1520-1521, March 1564-1567, May 1605-1615, Aug 1665-1675, Oct 1705-1720, Dec 1740-1765.

Cocoa—(FFr per 100 kilos): Sept 2530-2600, Dec 2265-2275, March 2210-2220, May 2210 bid, July 2210 bid, Sept 2215 bid, Dec 2[illegible] bid.

BRITISH COMMODITY PRICES

BASE METALS

BASE-METAL PRICES were easier on the London Metal Exchanges, following a rally in sterling against the dollar. Tin fell away from around £9,700 to close the late Kerb at £9,635, while Copper retreated from an initial £1,005 to close the afternoon Kerb at £1,049, after £1,045.5. Lead and Zinc closed at £314.5 and £603.5 respectively.

COPPER

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —†
High Grde	£	£	£	£
Cash	1024.5-5.5	+1.5	1028.5-7.5	—2.5
3 months	1046-.6	+1.5	1048-.5	—2.5
Settlem't	1025.5	+1.5	—	—
Cathodes				
Cash	1024-6	+2.5	1026-8	—4
3 months	1044-5	+3.5	1046-8	—2
Settlem't	1026	+3	—	—

Amalgamated Metal Trading reported that in the morning three months Higher Grade traded at £1,049, 48, 47.5, 47, 46, 45.5, 46.5. Cathodes: Three months £1,044. Kerb: Higher Grade: Three months £1,048.5, 47. Afternoon: Higher Grade: Three months £1,048.5, 49, 48, 48.5, 49, 48.5. Kerb: Higher Grade: Three months £1,047, 46.5, 46, 47, 48, 47.5, 48. Turnover: 22,800 tonnes. U.S. Producers: 62-65 cents a pound.

TIN

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —†
High Grde	£	£	£	£
Cash	9710-20	—170	9790-700	—65
3 months	9655-65	—165	9640-50	—56
Settlem't.	9720	—170	—	—
Standard.				
Cash	9710-20	—182	9690-700	—60
3 months.	9635-40	—145	9620-30	—52
Settlem't.	9720	—160	—	—
Straits E.	$29.16		—	—

Tin — Morning: Standard: Three months £9,630, 40, 35. Kerb: Standard: Cash £9,720, three months £9,645, 40. Afternoon: Standard: Three months £9,630, 20, 35, 20. Turnover: 2,385 tonnes.

LEAD

LEAD	a.m. Official	+ or —	p.m. Unofficial	+ or —†
	£	£	£	£
Cash	306.5-7.5	—6.15	308-10	—6.5
3 months	316-7	—5.25	318-9	—6.2
Settlemt.	306.75	—6.25	—	—

Lead—Morning: Cash £308, 07, 06.5, three months £318, 19, 18, 17.5, 17, 16.5, 16, 16.5. Kerb: Three months £316, 16.5, 17, 17.5, 18, 19. Afternoon: Three months £318. Kerb: Three months £317, 16, 15.5, 15. Turnover: 12,350 tonnes. U.S. Spot: 24-28 cents a pound.

ZINC

ZINC	a.m. Official	+ or —	p.m. Unofficial	+ or —†
	£	£	£	£
Cash	615-7	—14.5	611-3	—17.5
3 months	607-.5	—15.5	604-5	—19.2
Settlem't	617	—14.	—	—

Zinc—HIGH GRADE OFFICIAL / UNOFFICIAL PRICES: Cash: am £680-£690, pm £695-£705. Three months: am £667-£668, pm £680-£689; settlement £690. Morning: Three months £607, 08, 07, 06, 05, 03, 04, 05, 04.5, 05, 06, 07, 08, 07.5, 07. Kerb: Three months £607, 08, 09, 11, 12, 11, 10.5, 10, 10.5, 11. Afternoon: Three months £611, 10, 10.5, 11, 10.5, 10, 09, 08, 05, 04. Kerb: Three months £605, 06, 06, 04, 03. Turnover: 18,700 tonnes. U.S. Prime Western: 48.00-48.75 cents a pound.

ALUMINIUM

Alumin'm	a.m. Official	+ or —	p.m. Unofficial	+ or —†
	£	£	£	£
Spot	800.5-1.5	—1.5	791.5-2.5	—18.5
3 months	824-.5	—11	815-6	—18.7

Aluminium—Morning: Three months £825, 26, 25.5, 25, 24.5, 24. Kerb: Three months £824, 25. Afternoon: Three months £824, 22.5, 22, 21, 20, 19, 18, 17, 16.5, 16, 15, 16. Kerb: Three months £816, 17, 17.5, 17, 16, 17, 18, 19, 20. Turnover: 71,050 tonnes.

NICKEL

NICKEL	a.m. Official	+ or —	p.m. Unofficial	+ or —†
Spot	[illegible]			
3 months	[illegible]			

Nickel — [illegible]

SILVER

Silver was fixed 2.3p an ounce higher for spot delivery in the London bullion market yesterday at 574.6p. U.S. cent equivalents of the fixing levels were: spot 712.5c, up 14.6c; three-month 732.8c, up 15.7c; six-month 754.1c, up 14.7c; and 12-month 799.3c, up 14.6c. The metal opened at 575-578p (708-711c) and closed at 573-576p (710-713c).

SILVER per troy oz	Bullion fixing price	+ or —	L.M.E. p.m. Unoffial	+ or —
Spot	574.60p	+2.30	572.5p	—1.5
3 months	589.80p	+2.90	587.5p	—2
6 months	605.10p	+1.85	—	......
12 months	636.60p	+6.45	—	......

LME — (2,000 oz contract): Cash 572.5p (same); three months 587.5p (same). Turnover: 0 (2).

Turnover: 22 (116) lots of 10,000 ozs. Morning: Large 1st ring three months 591; 2nd ring three months 591, 90.5, 90.2. Kerb: large three months 591. Afternoon: large 2nd ring three months 588. Kerb: large three months 589.

COCOA

After opening at the levels due futures traded quietly through the morning but rallied strongly during the afternoon and touched limit-up, reports Gill and Duffus.

COCOA	Yesterday's Close	+ or —	Business Done
	£ per tonne		
Sept	2236-38	—29.5	2240-05
Dec	1948-50	+33.5	1956-10
March	1880-81	+25.5	1890-52
May	1869-70	+19.0	1881-46
July	1860-68	+17.5	1875-53
Sept	1866-70	+22.5	1879-47
Dec	1846-66	+20.0	1859-50

Sales: 8,135 (4,554) lots of 10 tonnes.

ICCO indicator prices (U.S. cents per pound). Daily prices for Sept 18: 102.54 (104.20); five-day average for Sept 19: 104.21 (104.04).

COFFEE

Robusta prices slipped back during the morning despite the bullish previous close, reports Drexel Burnham Lambert. In subdued trading values failed to break out of the recent range and trade house support was again evident at the lower levels. The afternoon session saw a certain amount of profit-taking from longs but a stronger New York performance ensured that the market ended the day steady.

COFFEE	Yesterd'ys Close	+ or —	Business Done
Sept	2420-24	+11.0	2425-00
Nov	2446-49	—1.0	2452-27
January	2377-78	+6	2382-60
March	2322-25	+5.5	2332-07
May	2185-87	—2.0	2195-78
July	2153-60	—11.5	2163-60
Sept	2130-40	—12.5	2140-35

Sales: 7,906 (3,684) lots of 15 tonnes.

ICO indicator prices (U.S. cents per pound) for September 18: Comp daily 1979 140.79 (141.12); 15-day average 145.27 (145.93).

GRAINS

Business done—Wheat: Sept 104.45-104.15, Nov 106.90-106.55, Jan 110.75-110.45, March 113.95-113.70, May 117.45-117.15, July 119.50-119.30. Sales: 183 lots of 100 tonnes. Barley: Sept 105.40-105.20, Nov 107.95-107.75, Jan 111.55 only, March 114.40 only, May 117.00 only. Sales: 47 lots of 100 tonnes.

Wheat commenced trade 10p down and rallied in quiet trade to 20p up at lunch. Values eased back again in the afternoon to close around unchanged. Barley saw another quiet day, reports Muirpace.

Mnth	WHEAT Yesterd'ys close	+ or —	BARLEY Yesterd's close	+ or —
Sept	104.25	—	105.35	—0.05
Nov	106.65	—	107.75	—0.05
Jan	110.65	—	111.40	—
Mar	113.75	+0.05	114.40	+0.10
May	117.15	—0.05	117.10	+0.05
July	119.30	—0.25	—	—

LONDON GRAINS — Wheat: CWRS No. 1, 13½ per cent, ex-origin transhipment: Oct 164.50. U.S. Dark Northern Spring No. 1, 15 per cent: half-Sept/half-Oct and Oct 151, Nov 152.75, half-Nov/half-Dec 164.25 transshipment East Coast. U.S. No. 2 Soft Red Winter: Oct 137.75, Nov 140.25, Dec 141.50. [illegible]

PIGMEAT

Prices traded within a narrow range in thin volume and closed unchanged from Tuesday, reports C.C.S.T. Commodities.

Month	Yesterdays close	Previous close	Business done
	p. per kilo (deadweight)		
Oct	128.40	128.60	128.80-28.80
Nov	129.30	129.50	129.50-29.30
Feb	120.20	120.40	120.40-20.90
April	119.10	119.30	119.20-19.10
June	117.40	117.60	-
Aug	116.00	116.40	116.10-15.90

Sales: 92 (124) lots of 50 carcases, 3,250 kg.

POTATOES

A weak Amsterdam market, following and improved Dutch crop assessment, contributed to an easier opening in London. The market opened some £2.30 down, remained in narrow range during the morning but recovered slowly later, reports Coley and Harper.

Month	Yesterdy's close	Previous close	Business Done
	£ per tonne		
Nov	62.90	63.20	63.40-62.00
Feb	72.00	72.50	—
April	84.90	85.30	85.10-83.70
May	91.80	92.30	92.00-90.00
Nov	78.00	79.00	—

Sales: 460 (412) lots of 40 tonnes.

RUBBER

FUTURES—Close (buyer, seller, business). RSS No 1 £ per tonne. Oct 630, 650, untraded; Nov 630, 650, 640; Dec 740, 690, 660; Jan 660, 680, 670; Feb 650, 700, 675; March 660, 700, 690; April 670, 715, untraded; May 680, 730, untraded; June 690, 745, untraded; Oct/Dec 640, 654, untraded; Jan-March 672, 698, 680; April/June 690, 730, 700. Sales: 27 (1) lots of 5 tonnes, 7 (7) lots of 15 tonnes.

PHYSICALS — The London Market opened lower, weakened throughout the day and closed bearish, reports Lewis and Peat. Closing prices (buyers): Spot 63.00p (same); Oct 77.50 (78.00p); Nov 77.50p (same). The Kuala Lumpur Oct fob prices for RSS No. 1 was 217.5 (same) cents a kg and for SMR 20 was 202.0 (203.5).

SOYABEAN MEAL

The market opened 80p up in thin trade, reports T. G. Roddick. Prices remained steady with active two-way trading.

	Yestday's close	+ or —	Business Done
	£ per tonne		
October	133.50-34.50	+0.50	133.60
Dec.	137.30-37.50	+0.80	137.60-36.90
Feb	144.70-45.00	—1.10	145.00-44.50
Apr	145.50-48.50	+0.75	146.00
June	144.50-45.50	—0.25	145.00
August	148.00-51.00	+1.95	—
October	147.00-52.00	+0.50	—

Sales: 48 (32) lots of 100 tonnes, 421 (26) lots of 20 tonnes.

SUGAR

LONDON DAILY SUGAR—Raw sugar £88.50 ($109.00), up £2.50 (up $4.00), a tonne for Sept-Oct-Nov delivery. White sugar $164.50, up $2.50.

The market lacked selling interest at the lower levels and prices lifted $2 before sellers reappeared and the advance was halted, reports C. Czarnikow.

No. 6 Contract	Yest'day's close	Previous close	Business done
	$ per tonne		
Oct	114.20-14.40	115.00-15.20	116.80-11.80
Dec	125.80-26.00	124.00-24.98	127.00-23.20
Mar	145.80-44.00	142.00-42.40	145.80-40.80
May	151.60-51.80	149.40-44.60	152.00-48.20
Aug	161.00-61.50	158.00-58.20	161.40-60.80
Oct	169.50-69.60	167.60-68.00	170.80-69.80
Dec	175.20-75.00	175.00-77.80	176.00

Sales: No 6 3,231 (4,077) lots of 50 tonnes.

Tate and Lyle delivery price for granulated basis sugar was £201.50 (£199.50) a tonne for export.

International Sugar Agreement — (U.S. cents per pound fob and stowed Caribbean ports). [illegible]

GRAINS (HGCA)

day, September 24 (based on HGCA calculations using 5 days' exchange rates) is expected to remain unchanged at 0.990.

of business was in evidence. Attention centred on selected African upland growths which were particularly attractive in price. Some interest was also shown in U.S. crops. Non-staple varities were virtually disregarded.

HIDES

HIDES — Birmingham (Manchester). Second clears. Ox: 31-35.5 kg, 109.2p a kg (116.1p, withdrawn); 26-30.5kg, 117.2p a kg (123.1p); 22-25.5 kg, 125.3p a kg (130.0p). Cows 25.5 kg, 127.0p a kg (136.0p, withdrawn).

WOOL FUTURES

LONDON NEW ZEALAND CROSSBREDS—Close (in order: buyer, seller, business). New Zealand cents per kg.: Oct 502, 508, nil; Dec 514, 518, 518; Jan 514, 518, 516-514; March 523, 526, 526-522; May 529, 531, 531-528; Aug 542, 546, 542-541; Oct 542, 548, 543; Dec 544, 549, nil; Jan 546, 550, 546-545; March 553, 558, 558-555. Sales: 79.

INDICES

FINANCIAL TIMES

Sep. 18	Sep. 17	M'th ago	Year ago
289.35	287.40	289.93	287.73

(Base: July 1 1952 = 100)

REUTERS

Sept 19	Sept 18	M'th ago	Year ago
1865.2	1859.7	1855.4	1876.4

(Base: September 18 1931 = 100)

MOODY'S

Sept. 11	Sept. 10	M'th ago	Year ago
978.3	993.6	1015.8	1056.8

(Base: December 31 1931 = 100)

DOW JONES

Dow Jones	Sept. 11	Sept. 10	Month ago	Year ago
Spot	125.31	128.05	131.63	141.7
Fut	125.12	127.14	129.24	149.11

(Base: December 31 1974 = 100)

MEAT/FISH

SMITHFIELD—Pence per pound. Beef—Scottish killed sides 76.0 to 83.0; English hindquarters 92.0 to 96.0, forequarters 53.0 to 57.0. Veal—Dutch hinds and ends 127.0 to 133.0. Lamb—English small 60.0 to 67.0, medium 58.0 to 64.0, heavy 56.0 to 59.0; Scottish medium 59.0 to 62.0, heavy 57.5 to 59.0; Imported: New Zealand PL 66.5 to 67.0, PX 60.5 to 61.0, YL 64.0 to 64.5. Pork—English under 100 lb 60.0 to 66.5, 100-120 lb 59.5 to 64.5, 120-160 lb 52.0 to 60.0.

MEAT LIVESTOCK COMMISSION— Average fatstock prices at representative markets. [illegible]

COVENT GARDEN—Prices for the bulk of produce, in sterling per package unless otherwise stated. [illegible]

AMERICAN MARKETS

NEW YORK, September 19

Precious metals were steady with currencies lacking direction and finished fractionally higher on short-covering, reports Heinold Commodities. Heating oil was sharply higher as refiners increased stocks by less-than-expected amounts which forced large-scale short-covering by dealers and commission houses. Sugar prices were moderately higher mostly on profit-taking rather than on any change in fundamentals. Copper and aluminium came under light selling pressure because of the negative housing starts report and the extension of the General Motors strike. Cocoa prices were firm as new crop uncertainties emerged again and manufacturers fixed their buying prices. Coffee prices strengthened on roaster buying as tightness in the spot market supported present values. Cotton prices backed off fractionally as buying interest was negligible and trading remained very light. Grains and soyabeans were [illegible] higher as [illegible] duct continued [illegible]. Old crop [illegible] on late [illegible] the September [illegible].

NEW YORK

ALUMINIUM 40,000 lb, cents/lb

	Close	High	Low	Prev
Sept	44.85	—	—	45.20
Oct	44.95	—	—	45.30
Dec	46.05	46.40	45.30	46.40
Jan	46.60	—	—	46.90
March	47.65	47.95	46.95	47.95
May	48.70	48.90	48.85	49.00
July	49.75	—	—	50.05
Sept	50.80	—	—	51.10
Dec	52.40	—	—	52.70
Jan	52.95	—	—	53.25

COCOA 10 tonnes, $/tonnes

	Close	High	Low	Prev
Dec	2298	2304	2248	2235
March	2236	2239	2190	2177
May	2237	2225	2225	2180
July	2250	—	—	2188
Dec	2253	—	—	2193

COFFEE "C" 37,000 lb, cents/lb

	Close	High	Low	Prev
Sept	141.95	45.00	43.50	43.75
Dec	138.75	39.85	37.50	37.83
March	136.99	37.65	35.80	36.09
May	135.75	36.25	34.90	34.75
July	134.75	35.00	34.50	34.30
Sept	133.50	33.50	33.50	33.25
Dec	131.88	31.50	31.50	31.26

COPPER 25,000 lb, cents/lb

	Close	High	Low	Prev
Sept	55.85	56.10	55.70	55.80
Oct	55.90	—	—	56.00
Nov	56.55	—	—	56.65
Dec	57.20	57.50	57.05	57.30
Jan	57.80	57.65	57.60	57.90
March	59.00	59.25	58.85	59.10
May	60.15	60.30	60.10	60.25
July	61.30	61.40	61.30	61.35
Sept	62.45	62.70	62.20	62.50
Dec	64.20	64.45	64.15	64.20

COTTON 50,000 lb, cents/lb

	Close	High	Low	Prev
Oct	63.60	63.60	63.47	63.57
Dec	64.68	64.70	64.62	64.77
March	66.58	66.60	66.50	66.68
May	67.72	67.80	67.72	67.65
July	68.90	68.90	68.85	68.90
Oct	69.50	—	—	69.65
Dec	70.05	70.09	70.05	70.06
March	70.00	—	—	70.61

CRUDE OIL (LIGHT) 42,000 U.S. gallons, cents/U.S. gallons

	Latest	High	Low	Prev
Nov	29.69	29.85	29.66	29.47
Dec	29.86	29.95	29.78	29.63
Jan	29.83	29.87	29.75	29.60
Feb	29.73	29.77	29.69	29.52
March	29.65	29.69	29.57	29.46
April	29.62	29.57	29.57	29.40

[illegible]

CHICAGO

[illegible]

CURRENCIES, MONEY and CAPITAL MARKETS

FOREIGN EXCHANGES

Dollar awaits GNP figures

The dollar showed mixed changes in currency markets yesterday as the market braced itself for the release today of the U.S. third quarter GNP flash estimate. Seen as one of the few U.S. statistics with sufficient charisma at the moment to influence market sentiment, today's figure will be doubly important as it comes at a time when the dollar is searching for renewed momentum to push it still higher.

Against this background movements yesterday were hard to follow and impossible to predict. The dollar retained a good percentage of its underlying strength, almost casually registering record closing levels against the French franc and Italian lira. A bigger than expected fall in U.S. housing starts in August did affect the dollar but there was unlikely to be many short dollar positions ahead of today's figures.

The dollar improved against the D-mark to DM 3.0945 from DM 3.0915, having flirted with DM 3.10 to reach a high of DM 3.1070 but failing to hold above DM 3.10. It was weaker against the Swiss franc at SwFr 2.5340 from SwFr 2.5410 and Y245.80 compared with Y246.15. It rose to a record close against the French franc of FFr 9.4950 from FFr 9.4925. On Bank of England figures, its index eased to 142.4 from 142.7.

Sterling benefited from the dollar's hestitancy and also recovered a little international confidence with the end of the dock strike. It closed at $1.2365-$1.2375, a rise of .40 points. Against the Deutsche Mark it improved to DM 3.8300 from DM 3.8125 and SwFr 3.1350 compared with 3.1325. It moved marginally firmer against the yen to Y303.75 from Y303.50 and FFr 11.76 from FFr 11.7250. Its index closed at 76.9 from 76.4, having stood at 76.9 at noon and 76.6 in the morning.

DEUTSCHE MARK — Trade range against the dollar in 1984 is 3.0945 to 2.5535. Against average 2.8630. Trade weighted index 120.3 against 127.1 six months ago.

The dollar to eased DM 3.0850 at yesterday's fixed in Frankfurt, down from an opening level of DM 3.1000 and Tuesday's fixing of DM 3.0980. The Bundesbank sold $37.1m but was not seen outside the fixing. There was none of the recent strong demand for dollars as people took profits and awaited the outcome for important U.S. economic data due out this week. Indications of a softer tone in U.S. interest rates also prompted a more cautious approach.

Sterling recovered to DM 3.8260 from DM 3.7890 while the French franc eased to DM 32.59 per FFr 100 from DM 32.615. The yen rose to DM 1.2585 per Y100 from DM 1.2560 continuing Tuesday's fall by the Deutsche Mark to below Y80 for the first time ever.

BELGIAN FRANC — Trading range against the dollar in 1984 is 62.425 to 52.24. Against average 60.375. Trade weighted index 88.4 against 90.4 six months ago.

Recent stability of the Belgian franc within the EMS allowed the Belgian central bank to increase its holdings of foreign currency, according to figures released yesterday. These showed that in the week ending September 17, the authorities bought the equivalent of BFr 13.6bn which were used to replenish holdings of European Currency Units.

EMS EUROPEAN CURRENCY UNIT RATES

	Ecu central rates	Currency amounts against Ecu September 19	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc ...	44.9008	45.1851	+0.64	+0.64	±1.5447
Danish Krone ...	8.14104	8.11605	−0.31	−0.31	±1.6425
German D-Mark	2.24184	2.24398	+0.10	+0.10	±1.0642
French Franc ...	6.87456	6.88613	+0.17	+0.17	±1.4052
Dutch Guilder ...	2.52595	2.52806	+0.08	+0.08	±1.4964
Irish Punt	0.72569	0.723449	−0.31	−0.31	±1.6699
Italian Lira	1403.49	1383.76	−1.41	−1.41	±4.1505

Changes are for Ecu, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

£ in New York (latest)

	Sept. 19	Prev. close
Spot	$1.2355-1.2370	$1.2410-2420
1 month	0.08½-0.09½ dis	0.07-0.09 dis
3 months	0.22-0.26 dis	0.21-0.25 dis
12 months	1.50-1.60 dis	1.55-1.65 dis

Forward premiums and discounts apply to the U.S. dollar.

OTHER CURRENCIES

Sept. 19	£	$		£ Note Rates
Argentina Peso ..	103.83-104.03	83.91-83.99	Austria	26.75-27.05
Australia Dollar .	1.4910-1.4930	1.2050-1.2060	Belgium	77.00-77.80
Brazil Cruzeiro ...	2,728.88-2,744.52	2,205-2,216	Denmark	13.75-13.89
Finland Markka ..	7.8899-7.9080	6.3820-6.3840	France	11.66-11.78
Greek Drachma .	148.80-149.20	120.80-121.10	Germany	3.80-3.84
Hong Kong Dollar	9.7225-9.7325	7.8600-7.8630	Italy	2330-2360
Iran Rial	113.50*	93.00*	Japan	304-308
Kuwait Dinar(KD)	0.37085-0.37058	0.29930-0.29940	Netherlands	4.28¼-4.32¼
Luxembourg Fr.	77.15-77.25	62.40-62.45	Norway	10.69-10.80
Malaysia Dollar .	2.9160-2.9820	2.3575-2.3590	Portugal	193-208
New Zealand Dlr.	2.5415-2.5455	2.0535-2.0565	Spain	206¼-215⅛
Saudi Arab. Riyal	4.4015-4.4065	3.5600-3.5605	Sweden	10.68-10.79
Singapore Dollar	2.6750-2.6820	2.1630-2.1645	Switzerland	3.11-3.14
Sth African Rand	2.0690-2.0720	1.6725-1.6750	United States	1.22½-1.24½
U.A.E. Dirham	4.5400-4.5455	3.6720-3.6730	Yugoslavia	255-261

* Selling rates.

CURRENCY MOVEMENTS

Sept. 19	Bank of England Index	Morgan Guaranty Changes%
Sterling	76.9	−13.0
U.S. dollar	142.4	+28.5
Canadian dollar	90.4	−5.3
Austrian schilling ..	110.3	+5.2
Belgian franc	88.4	−11.2
Danish Kroner	75.5	−7.2
Deutsche mark	120.3	+5.6
Swiss franc	140.9	+9.9
Guilder	110.7	+2.7
French franc	63.5	−15.9
Lira	46.5	−14.3
Yen	157.3	+12.6

Morgan Guaranty changes: average 1980-1982=100. Bank of England Index (base average 1975=100).

CURRENCY RATES

Sept. 19	Bank rate %	Special Drawing Rights	European Currency Unit
Sterling	—	0.801425	0.586976
U.S. $	9	0.993640	0.725619
Canadian $ ..	12.38	*	0.955496
Austria Sch.	4½	21.6570	15.7750
Belgian Fr. ..	11	61.7373	45.1851
Danish Kr.	7	11.1163	8.11605
D'mark	4½	3.06538	2.24398
Guilder	5	3.45091	2.52806
French Fr. ..	9½	9.41176	6.88615
Lira	16½	1892.39	1383.76
Yen	5	244.088	178.212
Norwgn Kr. ..	8	8.65858	6.31362
Spanish Pta.	½	171.245	125.206
Swedish Kr.	9	8.64815	6.30708
Swiss Fr.	4	2.51351	1.83524
Greek Dr'ch	20½	120.151	87.7492
Irish Punt	12¾	0.990668	0.723449

* C$/SDR rate for Sept. 18: 1.30560.

THE POUND SPOT AND FORWARD

Sept 19	Day's spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	1.2270-1.2405	1.2365-1.2375	0.07-0.10c dis	−0.82	0.24-0.28dis	−0.84
Canada	N/A	1.6285-1.6300	0.13-0.21c dis	−1.25	0.48-0.58dis	−1.30
Nethlnd.	4.28⅞-4.32⅞	4.31½-4.32¼	1¾-1½c pm	4.52	4⅞-4⅞ pm	4.35
Belgium	76.62-77.36	77.15-77.25	3c pm-1 dis	−0.15	10-2 pm	0.31
Denmark	N/A	13.84-13.85	⅛-1½ore dis	−0.97	2⅛-3⅞ dis	−0.78
Ireland	1.2255-1.2361	1.2338-1.2348	0.11-0.27p dis	−1.85	0.55-0.78dis	−2.17
W. Ger.	3.8030-3.8380	3.8250-3.8350	1⅞-1⅝pf pm	5.25	5-4⅝ pm	5.01
Portugal	N/A	197.65-198.65	195-640c dis	−22.26	525-1480dis	−20.03
Spain	N/A	213.30-213.60	55-75c dis	−3.65	160-190 dis	−3.28
Italy	2,344-2,364	2,357½-2,359½	7-10 lire dis	−4.32	23-25 dis	−4.07
Norway	N/A	10.76⅞-10.77⅞	—	—	—	—
France	11.67-11.78⅝	11.75½-11.76½	par-⅛c dis	−0.38	1⅞-2⅞ dis	−0.56
Sweden	N/A	10.75¼-10.76¼	2⅞-2⅞ore dis	−2.93	5⅞-6⅞ dis	−2.28
Japan	301½-304½	303¾-304¾	1.08-0.96y pm	4.05	3.30-3.12 pm	4.23
Austria	N/A	26.85-26.90	9⅞-7⅞gro pm	3.82	25⅞-22⅞ pm	3.61
Switz.	3.11⅞-3.14	3.13-3.14	1½-1⅛c pm	5.26	4⅞-4 pm	5.42

Belgian rate is for convertible francs. Financial franc 77.85-77.95. Six-month forward dollar 0.57-0.62c dis. 12-month 1.50-1.65c dis.

THE DOLLAR SPOT AND FORWARD

Sept 19	Day's spread	Close	One month	% p.a.	Three months	% p.a.
UK†	1.2270-1.2405	1.2365-1.2375	0.07-0.10c dis	−0.82	0.24-0.28dis	−0.84
Ireland†	1.0015-1.0055	1.0032-1.0039	0.10-0.05c pm	0.90	0.36-0.26 pm	1.24
Canada	1.3163-1.3173	1.3168-1.3173	0.04-0.06c dis	−0.45	0.13-0.17dis	−0.46
Nethlnd.	3.4780-3.4900	3.4890-3.4900	1.60-1.57c pm	5.47	4.57-4.53 pm	5.23
Belgium	62.17-62.45	62.40-62.45	6-4c pm	0.96	19-14 pm	1.06
Denmark	11.16⅞-11.21	11.18½-11.19½	0.90-0.40ore pm	0.70	2.00-1.50 pm	0.63
W. Ger.	3.0810-3.1070	3.0940-3.0950	1.60-1.55pf pm	6.13	4.57-4.52 pm	5.89
Portugal	159.80-160.30	159.80-160.30	150-425c dis	−21.56	400-1150dis	−19.38
Spain	172.35-172.80	172.40-172.60	38-48c dis	−2.99	105-125 dis	−2.66
Italy	1,903⅞-1,908⅞	1,905½-1,906½	5.40-5.90 lire dis	−3.56	15.25-16.00d	−3.31
Norway	8.69-8.71½	8.70¼-8.70¾	1.10-1.40ore dis	−1.72	3.30-3.60dis	−1.59
France	9.45⅞-9.52⅞	9.49-9.50	0.50-0.40c pm	0.57	0.70-0.30 pm	0.21
Sweden	8.69⅞-8.71	8.69½-8.70	1.40-1.60ore dis	−2.07	3.20-3.40dis	−1.52
Japan	245.20-246.05	245.75-245.85	1.03-0.99y pm	4.94	3.14-3.09 pm	5.08
Austria	21.67⅞-21.76	21.71-21.74	8½-8gro pm	4.55	24¾-22¾ pm	4.37
Switz.	2.5235-2.5450	2.5335-2.5345	1.36-1.30c pm	6.32	3.92-3.88 pm	6.16

† UK and Ireland are quoted in U.S. currency. Forward premiums and discounts apply to the U.S. dollar and not to the individual currency. Belgian rate is for convertible francs. Financial franc 62.90-63.00.

EXCHANGE CROSS RATES

Sept. 19	Pound St'rling	U.S. Dollar	Deutsche m'k	J'panese Yen	French Franc	Swiss Franc	Dutch Guild	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1.	1.237	3.830	303.8	11.76	3.135	4.318	2359.	1.629	77.20
U.S. Dollar	0.808	1.	3.095	245.6	9.495	2.534	3.490	1906.	1.317	62.43
Deutschemark	0.261	0.323	1.	79.31	3.070	0.819	1.127	615.8	0.425	20.16
Japanese Yen 1,000	3.292	4.072	12.61	1000.	38.72	10.32	14.21	7765.	5.364	254.2
French Franc 10	0.850	1.052	3.257	258.3	10.	2.666	3.671	2006.	1.385	65.65
Swiss Franc	0.319	0.395	1.222	96.89	3.751	1.	1.377	752.3	0.520	24.63
Dutch Guilder	0.232	0.287	0.887	70.35	2.724	0.726	1.	546.3	0.377	17.88
Italian Lira 1,000	0.424	0.524	1.624	128.8	4.985	1.329	1.831	1000.	0.691	32.73
Canadian Dollar	0.614	0.759	2.351	186.4	7.218	1.924	2.650	1448.	1.	47.38
Belgian Franc 100	1.295	1.602	4.961	393.5	15.23	4.056	5.593	3055.	2.110	100.

EURO-CURRENCY INTEREST RATES (Market closing rates)

Sept. 19	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	D-mark	French Franc	Italian Lira	Belgian Franc Conv.	Belgian Franc Fin.	Yen	Danish Krone
Short term	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
7 days' notice	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Month	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Three months	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Six months	10¾-10⅞	11⅝-11¾	12⅛-12¼	6½-6⅝	5⅜-5⅝	5⅞-6⅛	11⅝-11¾	16¼-16⅝	10⅝-10⅞	10¾-11	6⅝-6½	11⅛-12
One year	10⅞-10⅞	11⅞-12⅛	12⅛-12⅞	6⅝-6¾	5¼-5⅜	6⅛-6¼	12¼-12½	15¼-15⅝	10¾-11¼	10¾-11	6½-6⅝	11¾-12¼

Asian $ (closing rates in Singapore): Short-term 11⅜-11½ per cent; seven days 11 7/16-11 9/16 per cent; one months 11 7/16-11 9/16 per cent; three months 11 9/16-11 11/16 per cent; six months 11 13/16-11 15/16 per cent; one year 12 7/16-12 9/16 per cent. Long-term Eurodollars: two years 12 11/16-12 13/16 per cent; three years 12¾-13 per cent; four years 13-13¼ per cent; five years 13 3/16-13 5/16 per cent nominal rates. Short-term rates are call for U.S. dollars and Japanese yen; others two days notice.

MONEY MARKETS

Pressure eases as sterling recovers

Interest rates were a little easier in London yesterday, following sterling's overall recovery. The latter was due almost entirely to a reluctance to push the dollar any firmer however, ahead of today's third quarter U.S. GNP flash estimate.

Should this show an increase anything above expectations then the market's ability to divorce domestic considerations from external pressures could be sorely tested.

For the time being however rates moved down by about ⅛ of a point. Three-month interbank money eased to 10 13/16 per cent from 11 per cent while three-month eligible bank bills were bid at 10 5/16 per cent compared with 10 7/16-10⅜ per cent. Overnight interbank money opened at 9¾-10 per cent and touched 10-10¼ per cent before drifting steadily to finish at 5 per cent.

UK clearing banks' base lending rate 10½ per cent (since August 20)

The Bank of England forecast a shortage of around £350m with factors affecting the market including maturing assistance and a take up of Treasury bills together draining £268m and the unwinding of previous sale and repurchase agreements a further £211m. There was also a rise in the note circulation of £65m. On the other hand Exchequer transactions added £170m and banks brought forward balances £20m above target.

The Bank gave assistance in the morning by purchasing £348m of eligible bank bills in band 4 (64-91 days) at 10⅜ per cent. No further assistance was given in the afternoon.

In Frankfurt call money was little changed at 5.5-5.60 per cent in quiet trading ahead of today's meeting of the Bundesbank central council. There is little expection of any change in key lending rates in the light of recent comments made by Bundesbank President Karl Otto Poehl which stressed the futility of trying to stem the dollar's rise in the face of such strong upward momentum. Short term funds were in adequate supply with borrowings through the Lombard facility falling to DM 3.8bn on Tuesday from DM 5.7bn on Monday.

MONEY RATES

Sept. 19	Frankfurt	Paris	Zurich	Amst'dam	Tokyo	Milan	Brussels	Dublin
Overnight	5.5-5.6	12¼	1⅛-2⅛	5¾-5⅞	6.09375	17-17⅛	7.65	12-12¼
One month	5.60-5.75	10 13/16-10 15/16	5 5/16-5 7/16	6 1/16-6⅛	6.46875	17-17⅛	10¾-11	12½-12¾
Two months	5.65-5.80	10 13/16-10 15/16	—	—	—	—	—	12¾-13
Three months	5.70-5.85	10 13/16-10 15/16	5 7/16-6 1/16	6 1/16-6 3/16	6.34375	17¼-17⅝	10¾-11	13-13¼
Six months	5.90-6.05	10 13/16-10 15/16	—	6 3/16-6 5/16	—	—	10⅝-10⅞	13⅝-13⅝
Lombard	5.5	—	—	—	—	—	—	—
Intervention	—	11	—	5¾	—	—	—	—

LONDON MONEY RATES — Discount Houses Deposit and Bill Rates

Sept. 19 1984	Sterling Certificate of deposit	Interbank	Local Authority deposits	Company Deposits	Market Deposits	Treasury (Buy)	Treasury (Sell)	Eligible Bank (Buy)	Eligible Bank (Sell)	Fine Trade (Buy)
Overnight	—	5-10¼	9¼-10¼	9¼-10¼	7-10¼	—	—	—	—	—
2 days notice	—	—	[illegible]	—	—	—	—	—	—	—
7 days or	—	[illegible]	[illegible]	[illegible]	[illegible]	—	—	—	—	—
7 days notice	—	[illegible]	[illegible]	—	—	—	—	—	—	—
One month	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Two months	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Three months	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Six months	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	—	—	[illegible]	[illegible]	[illegible]
Nine months	[illegible]	[illegible]	[illegible]	[illegible]	—	—	—	—	—	—
One year	[illegible]	[illegible]	[illegible]	[illegible]	—	—	—	—	—	—

FT LONDON INTERBANK FIXING

LONDON INTERBANK FIXING (11.00 a.m. September 19)

3 months U.S. dollars	
bid 11 5/16	offer 11 11/16

6 months U.S. dollars	
bid 11 11/16	offer 11 15/16

The fixing rates are the arithmetic means, rounded to the nearest one sixteenth, of the bid and offered rates for $10m quoted by the market to five reference banks at 11 am each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris and Morgan Guaranty Trust.

	Local Auth. negotiable bonds	Local Authority Deposits	Finance House Deposits	$ Cert of Deposits	SDR Linked Deposits	ECU Linked Deposits
One month	[illegible]	[illegible]	—	[illegible]	[illegible]	[illegible]
Two months	[illegible]	[illegible]	—	[illegible]	[illegible]	[illegible]
Three months	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Six months	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Nine months	[illegible]	[illegible]	—	[illegible]	—	—
One year	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Two years	—	[illegible]	—	—	—	—
Three years	—	[illegible]	—	—	—	—
Four years	—	[illegible]	—	—	—	—
Five years	—	[illegible]	—	—	—	—

ECGD Fixed Rate Export Finance Scheme IV: Average Rate of Interest period August 8 to September 4 1984 (inclusive): 10.806 per cent. Local authorities and finance houses seven days' notice, others seven days' fixed. Finance Houses Base Rate (published by the Finance Houses Association): 11½ per cent from September 1 1984. London and Scottish Clearing Bank Rates for lending 10½ per cent. London Deposit Rates for sums at seven days' notice 7¼-7½ per cent. Treasury Bills: Average tender rates of discount 9.9454 per cent. Certificates of Tax Deposit (Series 6): Deposit £100,000 and over held under one month 11 per cent; one-three months 11 per cent; three-six months 11 per cent; six-nine months 11 per cent; nine-12 months 11 per cent. Under £100,000 10¼ per cent from September 12. Deposits held under Series 6 10¼ per cent. The rates for all deposits withdrawn for cash 7 per cent.

MONEY RATES

NEW YORK (Lunchtime)

Prime rate	13
Broker loan rate	12¼-12½
Fed funds	[illegible]
Fed funds at intervention	[illegible]

Treasury Bills

One month	10.00
Two month	10.25
Three month	10.29
Six month	10.35

Treasury Bonds

Two year	[illegible]
Three year	[illegible]
Four year	[illegible]
Five year	[illegible]
Seven year	[illegible]
10 year	[illegible]
30 year	[illegible]

FINANCIAL FUTURES

Eurodollars firm

Euro-dollar prices were firmer in the London International Financial Futures Exchange yesterday, helped by gains in New York credit markets. This followed postponement of the latest U.S. Treasury offering pending approval of a rise in the debt ceiling. Values were also helped by an unexpected 12.8 per cent fall in U.S. housing starts to an annual 1.54m from 1.76m in July. Market expectations had been nearer 1.7m.

News that U.S. personal income rose in August by 0.5 per cent was much in line with market expectations. Although the market reacted to housing starts, any large movements are being reserved for the release today of U.S. third quarter GNP figures. Early estimates of a 4-5 per cent rise in the flash estimate appear to have been downgraded to nearer 3½ per cent but any figure outside market expectations would probably precipitate a flurry of activity.

The December Euro-dollar price opened at 88.68 down from 88.74 on Tuesday but improved to touch a high of 88.78 before closing at 88.76.

Sterling-based instruments benefited from the the pound's improvement. December three-month sterling opened at 89.70 up from 89.64 and finished at 89.76, whilt the December gilt price touched a best level of 105-29 from a nopening level of 105-04 before finishing at 105-24 compared with 104-31

LONDON

THREE-MONTH EURODOLLAR $1m points of 100%

	Close	High	Low	Prev
Dec	88.76	88.78	88.68	88.64
March	88.50	88.50	88.38	88.32
June	88.25	88.27	88.17	88.06
Sept	88.04	—	—	87.83

Est volume 4,495 (3,475)
Previous day's open int 10,734 (10,486)

THREE-MONTH STERLING DEPOSIT £250,000 points of 100%

	Close	High	Low	Prev
Dec	89.76	89.80	89.64	89.64
March*	89.63	89.70	89.50	89.57
June*	89.49	89.54	89.50	89.42

Est volume 2,382 (4,323)
Previous day's open int 5,167 (5,068)
*£500,000 points of 100%

20-YEAR 12% NOTIONAL GILT £50,000 32nds of 100%

	Close	High	Low	Prev
Sept	105-30	106-15	105-30	105-24
Dec	105-24	105-29	104-27	104-31
March	105-03	—	—	104-10
June	105-00	—	—	104-07
Sept	108-03	—	—	107-10

Est volume 3,949 (5,358)
Previous day's open int 2,519 (3,060)
Basis quote (clean cash price of 13¾% Treasury 2003 less equivalent price of near futures contract) par to 08 (32nds)

STERLING £25,000 $ per £

	Close	High	Low	Prev
Dec	1.2410	1.2417	1.2305	1.2305
March	1.2440	1.2435	1.2335	1.2335
June	1.2485	1.2485	1.2378	1.3957

Est volume 630 (1,777)
Previous day's open int 4,371 (3,162)

DEUTSCHE MARKS DM 125,000 $ per DM

	Close	High	Low	Prev
Dec	0.3276	0.3285	0.3269	0.3269
March	0.3323	—	—	0.3316

Est volume 115 (107)
Previous day's open int 162 (180)

SWISS FRANCS SwFr 125,000 $ per SwFr

	Close	High	Low	Prev
Dec	0.3999	0.4010	0.3999	0.3995

Est. volume 3 (nil)
Previous day's open int. 436 (436)

JAPANESE YEN Y12.5m $ per Y100

	Close	High	Low	Prev
Dec	0.4118	—	—	0.4109

Est. volume nil (1,376)
Previous day's open int. 427 (427)

FT-SE 100 INDEX £25 per full index point

	Close	High	Low	Prev
Sept	111.90	112.00	110.00	110.10
Dec	111.75	111.90	110.05	110.00
March	111.75	—	—	110.00

Est. volume 443 (189)
Previous day's open int. 1,153 (1,113)

U.S. TREASURY BONDS 8% $100,000 32nds of 100%

	Close	High	Low	Prev
Sept	69-00	69-00	68-12	68-09
Dec	67-28	68-02	67-22	67-19
March	67-08	—	—	67-02

Est. volume 881 (783)
Previous day's open int. 1,287 (1,371)

CHICAGO

STERLING (IMM) $s per £

	Latest	High	Low	Prev
Dec	1.2400	1.2420	1.2330	1.2365
March	1.2450	1.2455	1.2385	1.2395
June	1.2500	1.2500	1.2450	1.2445
Sept	—	—	—	1.2415

GNMA (CBT) 8% $100,000 32nds of 100%

	Latest	High	Low	Prev
Sept	67-12	67-14	67-10	67-15
Dec	67-07	67-09	67-05	67-07
March	66-15	66-19	66-15	66-15
June	—	—	—	65-26
Sept	—	—	—	65-07
Dec	—	—	—	64-22
March	—	—	—	—
June	—	—	—	63-28

CERT DEPOSIT (IMM) $1m points of 100%

	Latest	High	Low	Prev
Sept	88.70	88.75	88.70	88.65
Dec	88.88	88.93	88.83	88.86
March	88.61	88.65	88.56	88.59
June	8.35	88.38	88.32	88.31

THREE-MONTH EURODOLLAR (IMM) $1m points of 100%

	Latest	High	Low	Prev
Dec	88.48	88.53	88.43	88.46
March	88.21	88.24	88.16	88.18
June	87.96	87.97	87.90	87.91
Sept	87.72	87.75	87.69	87.69
Dec	87.51	87.54	87.49	87.48
March	87.32	87.32	87.31	87.30

U.S. TREASURY BILLS (IMM) $1m points of 100%

	Latest	High	Low	Prev
Sept	89.74	89.78	89.72	89.81
Dec	89.81	89.83	89.78	89.82
March	89.55	89.55	89.50	89.52
June	—	89.29	89.25	89.24
Sept	—	89.02	89.01	88.99
Dec	88.81	88.83	88.80	88.80
March	88.67	88.70	88.67	88.63
June	8.54	88.54	—	88.47

U.S. TREASURY BONDS (CBT) 8% $100,000 32nds of 100%

	Latest	High	Low	Prev
Sept	68-16	68-21	68-11	68-16
Dec	67-25	67-31	67-20	67-26
March	—	67-10	67-02	67-07
June	66-21	66-24	66-19	66-23
Sept	66-08	66-09	66-06	66-10
Dec	[illegible]	[illegible]	[illegible]	[illegible]
March	[illegible]	[illegible]	[illegible]	[illegible]
June	—	—	—	[illegible]
Sept	—	—	—	[illegible]
Dec	—	—	—	[illegible]
March	—	—	—	[illegible]

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. The following are closing prices for September 19

U.S. DOLLAR STRAIGHTS — DEUTSCHE MARK STRAIGHTS — SWISS FRANC STRAIGHTS — YEN STRAIGHTS — OTHER STRAIGHTS — FLOATING RATE NOTES — CONVERTIBLE BONDS

[illegible]

* No information available—previous day's price.
† Only one market maker supplied a price.

© The Financial Times Ltd., 1984. Reproduction in whole or in part in any form not permitted without written consent. Data supplied by DATASTREAM International.

OVER-THE-COUNTER

Continued from Page 40

[illegible]

CAPITAL MARKETS

$225m note deal by Credit Lyonnais

BY MAGGIE URRY

CREDIT LYONNAIS provided a bright spot in a dull Eurodollar bond market yesterday, launching a $225m 12-year floating rate note deal. Lead managed by the bank itself, the deal was thought to be sensibly priced and traded comfortably inside its total front-end fees of 0.35 per cent, at a discount of around 0.24 per cent.

A lack of FRN issues for the last few days has allowed an appetite to develop, and the terms of the Credit Lyonnais issue – a ⅛ per cent spread over six-month London interbank offered rate and a put option after nine years – were attractive. Co-leads are Credit Suisse, First Boston, Commerzbank, Merrill Lynch, Morgan Stanley and Salomon Brothers.

Fixed-rate Eurodollar issues were sluggish yesterday with dealers reporting some selling from investors who chose to take currency profits at the high level of the dollar. Recent new issues are moving slowly and prices picked up by ⅛ to ¼ point.

S. G. Warburg set the terms on the £100m bulldog for the European Investment Bank. Taking a market price at 3pm yesterday of 122 for the reference stock Treasury 13½ per cent 2004-08, the bulldog was priced to give a yield of 11.605 per cent – 85 basis points above the yield on the gilt. The coupon was set at 10⅝ per cent, to give an issue price of 90.52 – as close as possible to the 90 level. Applications for the stock, which are being handled by the Bank of England, close today and dealings are expected to start tomorrow.

BHF Bank bond average		
Sept 19		Previous
100.387		100.377
High	1984	Low
100.491		98.056

In the D-Mark Eurobond market, DG Bank's DM 200m private placement for the World Bank was trading well. The terms were set at a par issue price and a 7¾ per cent coupon on the six-year bond. Prices of seasoned D-Mark bonds were steady in quiet trading.

The dollar's strength is still unsettling the Swiss franc market, where prices dipped by around ¼ point.

The guilder market has been improving and Algemene Bank Nederland was able to reduce the coupon on its Fl 100m bond for the African Development Bank from 9¼ per cent to 9 per cent. The issue price is par.

Soviet foreign trade bank raises DM 500m

BY PETER MONTAGNON, EUROMARKETS CORRESPONDENT

THE RECENT spate of international borrowing by the Soviet Union continued yesterday with a DM 500m credit led by Commerzbank for Vneshtorgbank, the country's foreign trade bank.

The loan has been put together by a small club of international banks and bears a margin of ½ per cent over Euro D-Mark rates for the first four years, rising to ⅝ per cent for the next three.

Bankers said it was assembled in less than a month, and although U.S. banks declined to join the deal, lenders include Arab and Japanese institutions as well as European banks.

The Soviet Union has returned to the international capital markets in a fairly determined way this year after about three years' absence.

After three deals denominated in U.S. dollars, it now appears to be turning its attention to currency diversification. Last week Vneshtorgbank launched an Ecu 75m credit.

Bankers say this reflects less an urgent need for new money than a desire to take advantage of favourable market conditions to refinance maturing debt.

Certainly the Soviet Union, which had a DM 1.35bn ($43m) surplus in its trade with West Germany in the first half of this year, has no other pressing reason for raising a D-Mark credit at the moment.

[illegible]

Indices

NEW YORK—DOW JONES

[illegible]

New York Active Stocks

[illegible]